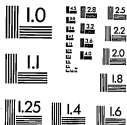


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(ANSI and ISO TEST CHART No. 2)



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Thomas A Edison Papers

A SELECTIVE MICROFILM EDITION

PART IV
(1899-1910)

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Lisa Gitelman
Gregory Jankunis
David W. Hutchings
Leslie Fields

Theresa M. Collins
Gregory Field
Aldo E. Salerno
Karen A. Detig
Lorie Stock

Editors

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University Publications of America
Bethesda, MD
1999

Edison signature used with permission of McGraw-Edison Company

Thomas A. Edison Papers
at
Rutgers, The State University
endorsed by
National Historical Publications and Records Commission
18 June 1981

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216

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**National Phonograph Company Records
Correspondence, Foreign (1904)**

This folder contains correspondence and other documents relating to the marketing, pricing, and supply of phonographs and cylinder records in Great Britain, Germany, Russia, France, and other countries. Most of the items are letters to and from William E. Gilmore, president of NPCo. Some of the letters were written while Gilmore was in Europe in April, May, and early June. Other correspondents include James H. White, European sales manager; Walter Stevens, manager of the Foreign Department; John R. Schermerhorn, assistant general manager; George Croyden Marks, British patent agent; and Frank L. Dyer, Edison's general counsel. Among the documents for 1904 are letters pertaining to the quality, condition, and origin of phonographs and records offered for sale in Europe, Australia, and Mexico; to litigation with Edison-Bell; and to the activities of former Edison associate George E. Gouraud. There are also documents concerning the manufacture of records in Paris, Berlin, and Brussels under the direction of Edward Riehl. These items include descriptions of the manufacturing process, the ingredients in the wax, and the prices of materials. Other documents pertain to the cancellation of Ludwig Stollwerck's contract with NPCo, the organization of the Edison Gesellschaft in Berlin, and the finances of NPCo, Ltd., in London.

Approximately 15 percent of the documents have been selected. Among the items not selected are letters regarding foreign patent rights, weekly and monthly remittances and accounts, and ongoing litigation over price cutting and the unauthorized use of Edison's name.

Telegrams & Cables: "RANDOLPH, LONDON."
Telephone No. 5050, HOLBORN.



Record - Manuf.
Cable Codes Used: A.L., A.S.C., COMMERCIAL,
MIREX, AND HUNTING'S.

Thomas A. EDISON'S

EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH Co. Ltd.
EDISON MANUFACTURING Co. Ltd.

FACTORIES:
Orange N.J., U.S.A.
Berlin
Paris
Breslau

Photographs,
Gold Modified
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Machines,
Edison-Primary
Batteries,
Rates and Edison Automatic Hand
Numbering Machines.

25 Clerkenwell Road,
London, E.C.
Ans... 1/27/1904
20th January, 1904.

W. E. Gilmore, Esq.,
President, National Phonograph Co.
Orange, New Jersey. U.S.A.

Dear Sir,

With further reference to the plan about which I wrote you some time ago of carrying a stock in Berlin to take care of the German, Austrian and possibly the Russian Market, I believe we should keep a complete and well assorted stock of records at the Berlin factory suitable for this market. As I have already advised you we are arranging to do this, but I don't want to begin to fill orders from Berlin until we are prepared to fill them complete. Therefore for the present we are taking care of this trade to the best of our ability from London. I find a great many of our people in Continental Europe have been dissatisfied with deliveries as made from Antwerp ever since that office was started. Therefore I believe we can greatly increase the business in that territory by being in a position to deliver from Berlin. I don't think it necessary to go over the Antwerp situation, but will simply say that we found it entirely impracticable to make prompt deliveries from that port, partly owing to the fact that we were unable to get as much stock as we required, and partly on account of difficulties in our way due to

NATIONAL PHONOGRAPH COMPANY,
EUROPEAN OFFICE.

Custom regulations and so forth. I do not want to have a recurrence of this difficulty at Berlin, therefore I propose to go ahead, publish record and machine lists in the German language - these lists to contain only those selections which are suitable for the countries in question. I think our stock of records in Berlin should comprise only such songs as are listed in the German language and no other. English record lists can be supplied on special request from London.

So far as Russia is concerned I cannot see ^{the way} ~~way~~ for any large business in the very near future. We are extremely lame on the matter of Russian repertoire, and of course we cannot sell machines to any great extent without the proper records to go with them. The list of Russian records which we have at present I find is practically obsolete, and there is little or no demand for them, therefore it is my idea to begin making a good class of Russian music at the earliest possible time.

In Austria and Hungary the situation is somewhat different. The new records which we have been making in Germany during the past two months will be very suitable for this market, and as soon as we are in shape in Berlin to make deliveries, I believe we will largely increase our trade in these countries, and as soon as I can spare a record-taking outfit I purpose sending one into Austria, and Hungary, to pick up local music, advertise what we are doing and probably send a commercial man along to stir up the trade. I think, as I have already written you before, it would be absolutely necessary to establish an office and perhaps a ware-room in Vienna. To sum the whole thing up I believe we should make the following

NATIONAL PHONOGRAPH COMPANY,
EUROPEAN OFFICE.

arrangements: Send a traveller and record-making outfit as soon as possible into Austria making records at Prague, Vienna, Budapest and other local points, advertise in that territory and open an office at Vienna.

Russia - We should send a record-making apparatus into this territory as soon as possible for the purpose of making records in St. Petersburg, Warsaw, Moscow and I believe open an office in St. Petersburg.

Of course this represents my general views of the situation and I do not for a moment think it can all be done within a few months' time or even that you can decide on the matter at once. I know it will take a long time to accomplish all this and involve the expenditure of a large amount of money. I wish, therefore, you would think the matter over carefully and let me have your views upon the subject. I sincerely trust what I have written will meet with your general approval.

Very truly yours,

Joseph White
European Sales Manager.

J.H.W./L.D.

Legal
Legal Department.

Telephone 211 Orange.
Catharine Street, Orange, N.J.

Thomas A. Edison
National Telegraph Co.
Edison Manufacturing Co.
Edison Manufacturing Co.
Edison Storage Battery Co.

[Handwritten signature]

Frank L. Dyer, Counsel
Frank E. Bradley, Assistant Counsel
Delos K. Holden, Assistant Counsel

Subject: Trade Mark "Edison Limited" *Orange, N.J.* January 23, 1904.

William E. Gilmore, Esq.,
Pres., National Phon. Co.,
Orange, N.J.

MAIN OFFICE.
RECEIVED
JAN 23 1904
ANS.

Dear Sir:-

In reference to your favor of the 20th instant, I asked Mr. Bradley to write you yesterday on the subject of the scheme of registering the name "Edison Limited" as selling agent for Europe. The countries in which our trade-mark has been registered or in which applications for registration have been made are the following:

[Handwritten: Also registered in]

| | |
|------------------|----------------------|
| Great Britain | Cuba, |
| Belgium, | Cape Colony, |
| France, | Metal, |
| Holland, | Orange River Colony, |
| Turkey, | Transvaal, |
| India, | Argentine, |
| Servia, | Bolivia, |
| Sweden, | Brazil, |
| Austria-Hungary, | Chili, |
| Great Britain, | Colombia, |
| Russia, | Ecuador, |
| Switzerland, | Paraguay, |
| Denmark, | Peru, |
| Norway, | Uruguay, |
| Italy, | Venezuela, |
| Germany, | Straits Settlements |
| Portugal, | Hong Kong, |
| Mexico | Jamaica, |
| Japan | Barbadoes, |
| Spain, | Bahamas, |
| New South Wales, | Western Australia, |
| Victoria, | New Zealand, |
| South Australia, | Luxembourg, |
| Queensland, | Romania, |
| Canada, | Bulgaria |

W.E.G. 2

This you will note does not include Egypt which Mr. Marks thinks is important. I can have the trade-mark registered in England through Richards & Co. or can have Mr. Marks do this, whichever you say. Probably Richards & Co. would be cheaper:

Yours very truly,

Frank L. Ryan

FLD/HGW

G. Crolyden Marks
1862-1888
Consulting Engineer & Patent Expert.
TELEGRAPHIC ADDRESS: GYFTONES, LONDON.
LONDON 318, HOLBORN.
TELEPHONE NO (BIRMINGHAM, 886.
MANCHESTER, 4272.
—REWARD AT 200—
13, TEMPLE STREET, BIRMINGHAM.
30, CROSS STREET, MANCHESTER.

18. Southampton Buildings,
Chancery Lane,
London, January 50th 1917

Ans... 2/17/19 at

Dear Mr. Gilmors,

You will be interested in hearing that your old emissary or whatever you prefer to call him, Colonel Gouraud called on me on Monday, and has lost none of his original assurance. He explained that he was the Governor General of Sahara and that His Majesty the Emperor desired to have a number of phonographs for that great land. I told him that no doubt he could be supplied as any other trader but he must go to the right quarters for that, as I was not concerned on that end of the business.

He did his best to pump me concerning Mr. Edison but obtained little information on the subject. He (Gouraud) has just appointed the Commander in Chief of Sahara and various other officers of the State and he, the Colonel, is the only minister not having a salary although he was offered one by the Emperor greater than that of the President of the United States of America, he preferred however to be free.

He claims, as you may expect, to have practically made Mr. Edison's fortune and I sat almost bethed in smiles which I tried to hide whilst he enlarged upon his various exploits in the past and his great expectations for the future.

I sent him to Mr. White not telling him his name and telephoned Mr. White he might expect this august personage, and I believe as a matter of fact Mr. White did see him and has probably written you thereon.

An incident like this goes to relieve the monotony if such exists in any office and it is for this that I send it not that it is of any value.

Yours faithfully,

G. Crolyden Marks

Telegrams & Cables: "RANDOMLY, LONDON."

Telephone No. 8080, HOLBORN.



Phon. - Manuf.
Cable Codes Used: A.A., A.S.C., COMMERICAL,
LIEBKE'S, AND HUNTING'S.

**Thomas A.
EDISON'S**

Phonographs,
Gold Moulded
Records,
Projecting,
Kinetoscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.**

25 Clerkenwell Road,

London, E.C.

FACTORIES:
Orange N.J.,
U.S.A.
Berlin,
Paris,
Brussels.

5th February, 1904.

W. E. Gilmore, Esq.,
Orange, N.J., U.S.A.

Dear Sir,

I have had a call at this office from your old friend Colonel Gourud. I beg to inform you that he has "broken out in a new place", and now holds the very exalted position of Governor-General to the new King of Sahara, Mons. Jacques Lebaudy. Colonel Gourud came into my office in his usual effusive and enthusiastic manner and informed me that he was in a position to place an order for several thousand phonographs and a few million records to take out to Sahara to sell to the unsuspecting natives. Of course I was very pleased at the chances of receiving such a large and beautiful order, and answering his enquiry I informed him that we could fill such an order on two or three days' notice, but, alas, my hopes have been cruelly dashed to the ground, inasmuch as the Colonel wanted me to get all the goods ready, and when I mentioned the cash part of the transaction he stated the cash would be forthcoming, but as I have not seen it yet I begin to suspect very strongly that I am not going to secure the order. Of course in this wicked world one

RECEIVED
FEB 2 1904
2/17/1904

has to become used to such reverse~~as~~ this.


The Colonel is very anxious to know when Mr. Edison intends visiting this country, he having heard in some way that we was coming over in connection with the Iron Ore Co. in Norway. Of course I could give him no information as to this, and I understand he has been around Fitzhugh House in Arundel Street to see what he can find out there. This may or may not be interesting to Mr. Edison so I send it along for what it is worth.

The Colonel is evidently a very hard man to keep down. He reminds me very much of the Irishman who will get up in the world, even if he has to sit in the Gallery.

With kind regards

Believe me,

Very truly yours,


European Sales Manager.

J.H.W./L.D.

J. R. S.:

Record - Mame

This matter seems to be getting quite serious. I hardly know what to say to Mr. White. See me in regard to it.

2/8/04.

W.R.G.

Enc-B

[ENCLOSURE]

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.



Cable Codes Used: A.L., A.B., COMMERCIAL, LEESEA, AND HUNTING'S.

Thomas A. EDISON'S

EUROPEAN HEADQUARTERS OF THE

NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.

25 Clerkenwell Road,

London, E.C.

FACTORIES:

Orange N. J., U.S.A.
St. Louis, Mo.
Paris, France
Brussels

Phonographs, Gold Moulded Records, Projecting Kinetoscopes, Original Films, Battery Fan Motors, Edison-Primary Batteries, Dials and Edison Automatic Hand Numbering Machines.

28th January, 1904.

Wm. Gilmore, Esq.,
President, National Phonograph Co.,
Orange, New Jersey, U.S.A.

Ans. 2/10/04

Dear Sir,

I enclose herewith a further letter received from H. Cooper & Co. upon the subject of Concert records which we recently delivered to them and which they reported to be very inferior indeed. I have recently procured several of our Concert records and have listened to them, making careful comparison with Concert records of various European makes, and I must admit frankly that as compared with these several makes our records are very much inferior. I therefore do not believe it good policy to put these records out in Europe as they are certainly no credit to the name "Edison". I think you will agree with me that it would be better policy for us not to execute orders for Concert records under these circumstances. However before taking any definite steps in this matter I will wait a letter from you upon the subject, which letter I hope you will direct to me personally.

Yours very truly,

J. H. White
European Sales Manager.

J. H. W./L.D.

TRADE MARK
Thomas A. Edison
EDISON PHONOGRAPHS
AND RECORDS

OFFICES:
23, CHANCERY STREET
NEW YORK U.S.A.
57, GRAY'S INN ROAD
LONDON.
37, REMPART ST. GEORGES
ANVERS.
TELEPHONE 5569

National Phonograph Co

USINES:

55, QUAI DU HALAGE

BRUXELLES (Belgique)

Record-Manager

FACTORIES -
ORANGE N. J. U. S. A.
BERLIN (GERMANY)
PARIS (FRANCE)
BRUXELLES (BELGIUM)

ARRIVEE TELEGRAMME
RANDOMLY 3-2-1904

Bruxelles le Feb 13th 1904

MAIN OFFICE.
RECEIVED
FEB 25 1904
ANS.

M^r W. C. Gilmore
Nat Phon Co
Orange N. J. U. S. A.

Dear Sir:-

Returned here from Paris where, as previously stated we are quite ready to start operations we also received advices that models from Orange arrived there, but regret to inform you that we are having some trouble in obtaining the concession of authorization to manufacture for new Belgium through the auspices of a prudent Belgian factory inspector all wound up by red tape, formalities and threats. When he came to inspect the factory he found fault with our mode of setting work he did not like the idea of the manner in which the pipes are laid in masonry etc etc. Of course, he was told the same installations existed 15 times in U. S. and Europe that did not make any difference to him we had to comply with his objections or he would make a report not favorable. As the factory inspector is a socially

Prière d'adresser toute communication en réponse à cette lettre aux usines de Bruxelles.

M^r N. C. Gilmore,

High standing person being a member of the "Institut de France" & a member of the Legion of Honor etc there is no use in butting up against him and his foolish (to say the least) ideas, otherwise we could pass over him but I fear that if his report marked a unfavorable is handed in he will be upheld by another Commission therefore thought to comply with some of his objections thereby hoping to satisfy him. The changes necessary will retard operations about 2 weeks if he accepts the changes made. Had to have Power of Attorney in order to treat with them which came to hand in due time. Messrs Brandon Piro was advised at once I also had a conference with their Engineer after which we visited factory Inspector with result above stated.

Brussel Factory: - Rec'd moulds advised this A. M. that moulds arrived from U. S. and am very pleased of that as we are running former moulds made here and can again run full force and prospects are that we will be able to continue now. We lost some old handbooks obliged to shut or lay off half our help but everything is running smoothly again Rec'd authorization in legal form there.

Berlin Factory: - Hope to be able to start moulding operations there in from 6 to 8 weeks. The local man engaged was here in Brussel 2 weeks to get notes & instructions. He is returned to Berlin to continue the work begun there some

M^r N. G. Gilmore :-

time ago:

Model Dept: - As advised some time ago we are increasing our output here double by putting in two more steel boxes making a total of four. Also all outside shells will be made here for the models made at our various factories in Europe as Metal, Labor and Tools are purchased cheaper here than Paris and Berlin and these arrangements will save us the purchase of 3 sets of tools, cutters which would lay idle at the time besides saving space and the question of having size, taper etc settled.

Hoping to obtain authorization to manufacture in Paris in the near future, as that is a source of much excitement to me at present.

Sincerely remain yours

G. Gilmore

P.S. Enclosed please find financial reports of a Bellini Phonograph Co. and Berthet Samuel & Son Ltd London. Thinking the former would interest you somewhat hence my enclosing it.

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 6050, HOLBORN.

TRADE
Thomas A. Edison.

Phon. Sales

Cable Codes Used: A.L., A.B.C., COMMERCIAL,
LIEBER'S, AND HURTING'S.

**Thomas A.
EDISON'S**

Phonographs,
Gold Moulded
Records,
Projecting
Kinetoscopes,
Optical Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Edison and Edison Automatic Hand
Numbering Machines.

MARK
EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH Co. Ltd.
EDISON MANUFACTURING Co. Ltd.**

25 Clerkenwell Road,

London, E.C.

FACTORIES:

Orange N. J.
U.S.A.
Berlin.
Paris.
Brussels.

16th February, 1904.

W. E. Gilmore, Esq.,
Orange, New Jersey.

MAIN OFFICE.
RECEIVED
FEB 27 1904

Dear Sir,

Upon receipt of yours of February 6th I have just replied you
as follows:-

"GILMORE. Advise holding Stollwerck matter. Writing. WHITE".

Your letter enclosing copy of letter from Stollwerck dated January
20th this moment received, and I quite agree with you that Stoll-
werck's letter says very little. I am now firmly convinced that
Stollwerck is not over friendly towards us, and I sincerely hope
that negotiations with him fall through, as I believe we can do
better with this business in Germany ourselves. I would point out
the fact to you that we now only have five jobbers in Germany and
I believe it would be a very easy matter indeed to get the majority
of the Retail Dealers' trade. I believe that a business in Germany
can be worked up to be fully as good as the trade we are now en-
joying in Gt. Britain.

We now have an established ^{office} in Berlin and will shortly have
a plant equipped to take care of our entire record product, and

personally I very much prefer taking the chances of finding a market for the output of this plant than in leaving the matter to Stollwerck, and I believe if we adopt this course we will come out on top. Stollwerck advises me that he is not willing to begin business until we can give him a catalogue of 500 new records, and that these records must be voices of the greatest artistes of Europe as well as the most famous bands. Of course the band part of it is all right and we have already made band records of the leading organisations of Germany, but the artiste part of it is another story and will be another story until such time as your permanent master is an assured fact.

I have been devoting all the time I possibly could to arrange matters at the Berlin office so as to be in shape to go ahead with the German business immediately after the close of our fiscal year, and I have had Mr. Graf here this week getting ^a line on our order, shipping and invoice system, so that same can be carried into effect in handling the German business.

We are also compiling matter for a new German catalogue of both machines and records and shall be ready to circulate this shortly after the 1st of March or just as soon as Mr. Riehl is ready to give us an output of the 100 and odd new German selections he is now moulding at Brussels, so that you may understand we are going ahead with our arrangements entirely independent of Stollwerck; in other words we are not considering him at all.

As to sending the contract schedules through me I think this is a matter which can very well be left to your own good judgment

and I do not see that it will make much difference one way or the other. Personally I am opposed to the whole arrangement with Stollwercks and I want you to know just how I feel on the matter. I believe we can do very much better by paddling our own canoe, and I feel that the Stollwerck arrangement will antagonise the entire German trade.

Furthermore I am glad to advise you that I have just learned that the Allegemaine Phonographen Gasellschaft of Germany, a concern that has been manufacturing imitations of Edison's phonograph, has gone to the wall, so that we need fear nothing more from this source, and our sailing in Germany will be that much easier.

Awaiting your further advice upon this matter

I am,

Most truly yours,


Sales Manager.

J. H. W. / L. D.

P.S. I am suggesting to Mr. Riehl that he look into the matter of the Allegemains people, as I understand their stock is to be offered at public sale and it might be that we could procure something useful to us at a very cheap figure.

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison.

Record - Many.
Cable Codes Used: A., A.B.C. COMMERCIAL,
LIEBEN, AND HUNTING'S.

**Thomas A.
EDISON'S**

Phonographs,
Gold Moulded
Records,
Polygrams,
Kinetoscopes,
Optical Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

MARK
EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH Co. Ltd.
EDISON MANUFACTURING Co. Ltd.**

25 Clerkenwell Road,

London, E.C.

27th February, 1904.

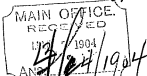
FACTORIES:

Orange N. J.,
U.S.A.
Berlin.
Paris.
Brussels.

W. E. Gilmore, Esq.,
Orange, New Jersey.

Dear Sir,

I beg to enclose you herewith copy of letter which I sent to the National Phonograph Co. under date of February 5th complaining of the fact that we had not received popular numbers of any of the big selling titles which we have ordered in large quantities. I have since concluded that this is a matter which should be brought to your personal attention as I seem to get no satisfaction whatever by writing to the Company. Since writing this letter I have had a statement made up of requisitions which we have placed with Orange for records, and I enclose you herewith copy of same. I beg to call your particular attention to our requisition 628 placed on October 28th calling for 141,000 records and to the fact that there are still due us on this order 48,900; also our order of November 19th for 234,500 records on which you still owe us 160,500, and our requisitions 711,712 of November 18th calling for 100 D. reproducers and 1000 C. reproducers against which no shipments have been made up-to-date. We will add that we have had orders placed for C. reproducers for the last 7 or 8 months and have received



nothing but a handful to say the most. The Edison-Bell Company have placed a C. reproducer on the market and as near as we can learn are getting a large amount of business from it. Now I think you must admit that this is rather a serious state of affairs from our standpoint. We are doing the very best we can to fill orders and to take care of the trade which we have created but we cannot fill orders or make the show that we would like to if the factory continue to ship goods to us in this manner. I have in mind also at the present time the various Continental customers who have written to New York and to yourself complaining about non-deliveries, and while I do not of course blame you for writing us and jogging us up on these matters I will simply say that it is quite impossible for us to supply goods which we do not receive from America. Since writing mine of February 5th I have personally gone through our racks and find that the records we lack are in almost every particular the titles which are most called for, and therefore I am firmly convinced that some-one at the factory is giving us very much the worst of it in delivery of popular selling records, and I must protest emphatically against this as I do not believe you would for one moment sanction it, and I certainly think the business we are doing entitles us to at least a fair share of consideration when records are being dealt out. We have now been stocking records in London for two months and I can truthfully state that with one or two exceptions we have never had any of the popular selling titles in our racks although we have placed orders for large quantities as far back as last October. In fact I find that our requisitions Nos. 628 and 714 embrace a very large quantity of popular

selections against which practically no deliveries have been made. I will take the selection "Hiawatha" as an illustration. We have had orders in for over two months calling for thousands of this one selection and up to the present moment we have never had but one case of 300 of "Hiawatha" in this building.

Now it is not pleasant to me to write complaining letters and I do not want to bother you on these matters unless it is absolutely necessary, but I do feel that we have not been treated right in these matters and I feel also that I am justified in complaining to you.

I sincerely hope you will give this matter due consideration and that I will hear from you to the effect that we will at least be given a fair proportion of popular records which you are turning out.

Very truly yours,


European Sales Manager.

J.H.W./L.D.

[ENCLOSURE]

C O P Y.

5th February, 1904.

The National Phonograph Co.,
Orange, New Jersey, U.S.A.

Gentlemen,

We have just cabled you to ship 2000 Band records of "Hiawatha" to Manchester and send B's/L to us. This cable is sent by the request of our client Mr. Christian Duwe. We sincerely hope you will make shipment of these records immediately.

In connection with this I beg to call your attention to the fact that while you are now doing fairly well on shipments of records, we are not getting shipments of popular titles such as "Hiawatha", "The Holy City", "Shade of the Palm", Bell Solos, and so forth. I have written you on this subject before both from Antwerp and London, but seem to get no reply, neither do I get records of these popular titles. It is fair to assume that you are turning out these popular records in large quantities, and therefore I must conclude that the domestic market is getting your entire product. While we have a good stock of records in hand at the present time I may say that with one or two exceptions our racks are entirely empty so far as popular titles are concerned, therefore I must say that I do not think we are being treated fairly in this matter, and I hope you will give the above your attention and see to it that we get at least a fair proportion of the big selling numbers which you are manufacturing.

Yours very truly,

(Signed) JAS. H. WHITE.

J.H.W./L.D.

European Sales Manager.

[ENCLOSURE]

O R D E R S

Placed with the factory for
S T O C K.

| | Requisition | Material | Shipments | Balance due. |
|-----------|-------------|---|---|--|
| 10/28/03. | 628 | 141,000 Records. | 11/24 - 21,000 ✓ 12/12 - 20,100 ✓ 1/5 - 25,000 ✓ 1/13 - 16,000 ✓ 1/16 - 9,000 ✓ | 210- 15000 210- 15000 210- 25000 210- 16000 210- 9000 48,900. |
| 11/18/03 | 711 | 100 "D" Reproducers. | No. <i>Shipped 716</i> | |
| do. | 712 | 1,000 "C" " | <i>210 150 210 No. 210 Not use</i> | |
| 11/10/03 | 714. | 234,500 Records. | 1/1 - 20,000 ✓ 1/12 - 16,000 ✓ 1/15 - 21,000 ✓ 1/23 - 17,000 ✓ | 160,500. <i>72700</i> |
| 11/30/03 | 729. | 50,000 Machine Catalogues. 50,000 Record Cats. | <i>No order See McChesney</i> | 50000 Mach Cats 25000 Rec " Shipped |
| 12/10/03 | 742. | 10,000 Shaved Blanks. | 1/27 - 5,000 <i>210 5000</i> | 5,000. <i>none</i> |
| 12/16/03. | 746. | 25 Each Electrotypes. | <i>see McChesney</i> | <i>Shipped per My</i> |
| 12/17/03. | 747. | Sample Boards of all types of Phonographs. | <i>Cancelled see Mr. Goldman letter.</i> | |
| 12/17/04 | 750. | Parts of reproducer and recorder. | <i>Shipped 210 210 100 C. Carter No.</i> | |
| 1/8/04. | 767. | 150-14" Brass horns. | <i>Shipped 210 No.</i> | |
| 1/11/04. | 769. | 6,100 Records. | <i>Shipped 210 No.</i> | |
| 1/12/04. | 774. | 15,000 Records. | <i>210 5000 210 No.</i> | <i>2600 due</i> |
| 1/17/04. | 777 | 8,000 Records | <i>210 5000 210 5,000 210 1200</i> | <i>3,600</i> |
| 1/22/04 | 784. | Instructions for the Phonographs. | <i>Shipped 210 No.</i> | |
| do. | 785 | Two Triumphs "W" Repeating attachment. | <i>Shipped 210 No.</i> | |

[ENCLOSURE]

-2-

| | | | | |
|-------------|------------|---------------------------------|----------------|----------------|
| 1/23/04 | 790 | 1,000 "Standards". | No. <i>790</i> | <i>one 200</i> |
| 1/23/04 | 804. | 200 "B" Reproducers. | No. <i>804</i> | |
| 1/30/04 | 814. | 24 Gov. Springs for Victor. | No. <i>814</i> | |
| do. | 815 | 5,500 Records | No. <i>815</i> | |
| 2/1/04 | 816 | 5,00 Lithographs, Form No. 433. | No. <i>816</i> | |
| 2/5/04 | 817 | 27 Films | No. <i>817</i> | |
| | 819 | 2,000 Gem Phonos. | No. <i>819</i> | |
| 2/5/04 | 820 | 3,000 Gem Phonos. | No. <i>820</i> | |
| do. | 821 | 1,000 Home Phonos. | No. <i>821</i> | |
| do. | 822 | 1,000 Diaphragm Micas. | No. <i>822</i> | |
| 2/12/04 | 840 | Repair & Supply parts. | No. <i>840</i> | |
| do. | 842 | 8,000 Records. | No. <i>842</i> | <i>6000</i> |
| 2/13/04 | 844 | 3,000 Records. | No. <i>844</i> | <i>—</i> |
| 2/16/04 | 848 | 9,600 Moulded Records | No. <i>848</i> | |
| 2/20/04 | 854 | 5 Triton Motors. | No. <i>854</i> | |
| <i>7/12</i> | <i>729</i> | <i>10,150 Records</i> | <i>No. 729</i> | <i>6,150</i> |
| <i>7/12</i> | <i>744</i> | <i>7,000</i> | <i>No. 744</i> | <i>4,000</i> |

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.

EDISON LABORATORY, ORANGE, N. J.

NEW YORK OFFICE: 200 NASSAU AVENUE, 23 CHAMBERS STREET.

CHICAGO OFFICE: 147 MADISON AVENUE.

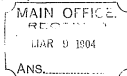
FOREIGN DEPARTMENT: 15 COLLEGE ST. NEW YORK, 83 CHAMBERS ST. NEW YORK.

IN REPLYING TO THIS LETTER

PLEASE MENTION THESE INITIALS.

Orange, N. J.
Telephone Call 1508 Orange

Feb. 29, 1904.



James H. White, Esq.,

European Sales Manager,

London, England.

W. E. Gilmore

Dear Sir:

I have your favor of the 11th, having reference to the matter of delay in filling orders of Shults of Altona and C. Detmering of Hamburg, with memorandum from your Order Department explaining the situation. Of course I am sorry that the trouble was due to the inability to get the records that you required as you should have liked. In this connection I quote memorandum from Mr. Hird, who is in charge of the Order Department, which sets forth exactly the orders placed and from which you will see that weekly shipments on all of the orders and of the particular selections referred to were made right along. I also draw your attention to what he says about placing larger orders in any case.

"Referring to the attached, I find on looking up Mr. White's orders that on his order No. 828, dated Nov. 2nd, calling for a total quantity of 141,000 records, to popular selections alluded to, viz: "Hiawatha", "Holy City", "Shade of the Palms" and "Bell Solo", were ordered in quantities as follows:

| | |
|---------------------|---------------------|
| Hiawatha, | 250 |
| Holy City | 200 |
| Shade of the Palms, | 300 |
| No. 8295 | 300) |
| No. 8416 | 350) - Bell Solos. |
| No. 8379 | 300) |

As to Mr. White's order No. 714, dated Nov. 30th, which calls for a total quantity of 234,500 records, I find that the popular selections ordered are as follows:

| | |
|--------------------|-------------------|
| Hiawatha | 500 |
| Holy City | 200 |
| Shade of the Palms | 200 |
| No. 8295 | 500) |
| No. 8416 | 800)-Bell Solos. |
| No. 8379 | 500) |

We have made weekly shipments on these two orders and have included some of the above selections in each shipment: and at the present time we have filled the entire quantity of these selections called for.

It seems to me that the London Office has not ordered very liberally of these popular selections, and I would suggest that they place an order sufficiently large to take care of their requirements. An order say for 2,000 of each selection, would, I think, keep them well supplied. As the matter now stands, they have no unfilled orders for these particular selections.

The total quantity of these selections ordered by the London Office for their stock since Nov. 2nd, is as follows:

| | |
|--------------------|-------------------|
| Hiawatha | 350 |
| Holy City | 400 |
| Shade of the Palms | 500 |
| No. 8295 | 800) |
| No. 8416 | 850)-Bell Solos. |
| No. 8379 | 800) |

These quantities we have shipped in lots proportionate to the quantities of other selections called for.

Would say for your further information that up to the present time there remain but 13,600 records due on order No. 620, and that order No. 714 was complete this week (week ending Feb. 27th).

The orders of the London consignment account are being taken care of and as liberal shipments made as our production will permit without neglecting the domestic trade.

I think that if Mr. White will send us a good liberal order for these popular selections, allowing us to make shipments from time to time, he will have no further cause for complaint in this direction."

There is another thing, you are perfectly familiar with the conditions for two months at least before Christmas, and even long after the Christmas Holidays we are simply overwhelmed with business of all kinds. Of course next year we are not going to have this trouble, as what we can do is for us to arrange between us, provided we are not in a position to furnish you these promptly, to give you orders so that the records can be made at the Brussels plant, and then you can

SHEET No. 3. DATE, 2/29/04. NATIONAL PHONOGRAPH CO. to J. H. White.

govern their output yourself. Of course I refer only to popular selections such as those enumerated, or such selections as seem to be in great demand. You are perfectly correct in your supposition that these moulds were working day and night; there is no question as to this. We are unable to keep our own customers going here:

Keep up writing complaining letters; that is the only way you will ever get anything. There is no use sitting down and thinking that your office is neglected to the benefit of all other customers; if you do not complain about it you will never receive any consideration. You have a good man with you who knows all about this; his name is Squire. He was on the other side of the fence, and now that he is on the opposite side there is no doubt that he can write as good a complaining letter as anybody that I know of; at least, it would seem to me that he has had sufficient experience to enable him to do so.

I understand that Schermerhorn has already written you on this general subject, so it is not necessary for me to go into details.

Yours very truly,

WEG/LWW

President

W. E. GILMORE,
PRESIDENT & CHIEF MANAGER.

ADDRESS REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.

EDISON LABORATORY, ORANGE, N. J.

OFFICE AND SALESROOM.

IN REPLYING TO THIS LETTER

155 W. WABASH AVENUE,
CHICAGO OFFICE, 224 WABASH AVENUE,
FOREIGN DEPT., 23 CHANDLER ST., N. Y.

PLEASE MENTION THESE INITIALS.

RECORDED & INDEXED

RECORDED & INDEXED

CHICAGO OFFICE, 224 WABASH AVENUE,
FOREIGN DEPT., 23 CHANDLER ST., N. Y.

Feb. 29, 1904.

Thomas A. Edison, Esq.,

Myers, Fla.

Dear Mr. Edison:

I am enclosing you a letter from Mr. Marks dated Feb. 17th, together with copy of affidavit in the case that he has brought against the Edison-Bell Consolidated Phonograph Co., Ltd., also letter from White dated the 15th of February and copy of advertisement referred to. I have written Mr. Marks that what he has done is entirely approved, and I trust that you will sanction it also.

Please return the papers in the enclosed envelope, with any comments.

Yours very truly,

W. E. Gilmore

Enc-

[ENCLOSURE]

G. Croydon Marks
S.M.C.E. (M.E.E.)
Consulting Engineer & Patent Expert.
TELEGRAPHIC ADDRESS: GIFTEDNES, LONDON.
TELEPHONE NO. { LONDON 636, HOLBORN,
BIRMINGHAM, 666,
MANCHESTER, 4272.
SEND AT 2/6
15, TEMPLE STREET, BIRMINGHAM,
30, CROSS STREET, MANCHESTER.

*18, Southampton Buildings,
Chancery Lane.*

MAIN OFFICE.
RECORDED & INDEXED FEB 17th 1904
FEB 26 1904
ANS. 712911/104

Dear Mr. Gilmore,

EDISON BELL.

I am bringing an action against Edison Bell now for the misuse of the word "Edison" I have claimed against these people before and suggested that they should make their own advertisements distinct and it is idle to write letters. I am without notice therefore applying for an Injunction and am swearing an affidavit on the terms which I enclose so that you may know exactly what the position is; you will remember that these people advertise how their own record but put at the heading "The New Edison" and then follow on another line with "Bell Popular Phonograph Records" Mr. White sent you copy of the advertisement last week, and I think we shall bring them down on this matter once and for all.

You will gather the position from the copy of the chief points in my affidavit; I am sending copy also to Mr. Dyer for his record.

Yours faithfully,

G. Croydon Marks

[ENCLOSURE]

Thomas A. Edison & The National Phonograph Company Ltd.

v.

Edison Bell Consolidated Phonograph Company Ltd.

Points of Particulars in Affidavit.

I George Croydon Marks Consulting Engineer and Chartered Patent Agent of 18, Southampton Buildings, London, W.C. make oath and say as follows:-

1. That I am attorney in England for Mr. Thomas Alva Edison of Orange, New Jersey. U.S.A. with full power to institute proceedings in his name and on his behalf.

2. I called at the head office of the Edison Bell Consolidated Phonograph Company Limited at 39, Charing Cross Road, London, on the 17th inst. and asked for some of their New Edison Records. The salesman enquired whether I wanted Gold Moulded and I produced an advertisement from the "Ironmonger" of January 16th 1904. and pointed to the same saying that I wanted those; he said the ordinary records were one shilling and the gold moulded were one shilling and sixpence each. I asked for six of the shilling New Edison Records and obtained them done up in a parcel before I had seen them. Upon opening the parcel I found that the records were in Edison Bell boxes and not the Edison boxes.

3. I enquired as to whether they had anything fresh of Edison's to offer and I was shown a phonograph for commercial use which the salesman explained was their regular Edison Machine.

4. I subsequently went on the same morning to No. 20, Cheapside the other London address of the Edison Bell Consolidated Phonograph Company Limited and enquired for New Edison Records and asked the price. The salesman asked what kind I wanted and upon my producing the advertisement from the "Ironmonger" of January 16th. he said on glancing at it "this is not our's this is the Edison Records which we do not stock". Upon my pointing out it was his own company's advertisement he said "Oh yes, that is so I had not seen it before" and then informed me that the records were one shilling and sixpence gold moulded; I purchased two at that price.

5. I say that the records sold to the public as the Edison Record is that made under Mr. Edison's patents for which patents the National Phonograph Company Limited hold the sole license in this country.

6. The Edison Bell Company do not purchase Edison Record at the present time but are rivals selling their own records in competition with the National Phonograph Company Ltd. and publicly advertise that their records are made in London and warn persons against fraudulent copies that are being offered to the public.

7. The advertisement which appears in the "Ironmonger" is calculated to deceive the public into the belief that the New Edison Record is those one that can be obtained from the Edison Bell Consolidated Company Ltd. whereas no genuine Edison Records are sold by them and they have not the slightest interest in any way in any of Mr. Edison's recent patents connected with the manufacture and production of records.

L. Craigdon Marks
S.M.S.G., M.E.E.C.
Consulting Engineer & Patent Expert.

TELEGRAPHIC ADDRESS: GIFTEDNESS, LONDON.

TELEPHONE N^{OS} { LONDON 636, HOLBORN.
BIRMINGHAM 666.
MANCHESTER, 4272.

13, TEMPLE STREET, BIRMINGHAM.
30, CROSS STREET, MANCHESTER.

18, Southampton Buildings,
Chancery Lane.

London, March 4th 1904
R.C.

re. Gouraud.

3/23/1904

Dear Mr. Gilmore,

I am obliged by your cable to me concerning the notice which appeared in many papers here emanating from Colonel Gouraud as to Mr. Edison's visit. His "Gouraud" has evidently been fooling in pretty high quarters this time, for he wrote to the King's secretary and endeavoured to get the patronage of the King to some entertainment of some kind to show that was to be got up by Gouraud in honour of the 25th anniversary of the phonograph. This latter however I only have by rumour, but the other part is public, I enclose you a cutting from one of the papers on one day and at the same time a cutting from another paper which shows what Gouraud is doing with his crafty friend of Sahara.

This man is a very dangerous person and may do a great deal of harm by representing himself as being Mr. Edison's emissary. I consider that a man who is fooling away calling himself all sorts of titles and being ridiculed in the Press by his association with Jaques of Sahara is not a creditable person to be posing over here as one to commit Mr. Edison in everything. I have taken means to stop the rumours and I think we shall have no recurrence of them.

Yours faithfully,

L. Craigdon Marks

Phon. - M... ..

Copy of Minutes of Board Meeting of the National Phonograph Co Limited
Held 8th. March 1904.

Present:- Mr G Croydon Marks, in the chair, Mr J H White & the Secretary, Mr Puchler attended by invitation.

The Minutes of the previous meeting were read & confirmed. The correspondence between Mr G. Croydon Marks, & Mr W E Gilmore re the Licence from Mr T A Edison to the N. P. Co. Ltd. was read.

Resolved:-

(1) That Mr Edison's terms as conveyed verbally by Mr Puchler with regard to his trade mark viz:- \$5000, per annum be accepted & that an agreement embodying such terms be prepared, if desired by Mr Edison.

(2) That the offer as conveyed verbally by Mr Puchler, of the National Phonograph Co of U.S.A. to keep a recording department in this Country and to prepare moulds for all records thus taken charging the Co. an amount each month vary with the selections, be accepted that an agreement embodying such proposal be drawn up if desired by the National Phonograph Co.

(3) That the Co. agrees to collect & transmit any accounts for goods delivered prior to the 31st December '03 to the National Phonograph Co. Orange, New Jersey, charging them One % on all sums thus collected.

(4) That the offer of the National Phonograph Co. to pay a commission of 1% on the amount of British business done through their Orange and Antwerp offices from October 10th. '03 to December 31st '03. be accepted, such commission of 1% being paid in consequence of the Co not being ready themselves to execute orders at the Clerkenwell Rd. premises until 1st.

January '04., the National Phonograph Co. also undertaking the same through Mr Puehler to pay all costs of administration and staff expenses and wages up to the end of 1903.

(5). That the annual meeting of the Co. be held as soon as the Report & statement of accounts are prepared, and that Mr Callaway, Chartered accountant, be instructed to audit the accounts; and that the Directors report & statement of accounts be submitted at the next Board meeting.

(Signed) G Croydon Marks.

Mr. Gilmore:

Referring to the attached letter from Riehl, as you know, these records are here. Voorhis has tested them and reports that practically all of them are quite rough, some of them much more so than others. None of them compare with our records. I have two or three of them on my desk that I will be glad to show you at any time you wish to hear them.

3/16/04.

J.R.S.

*has
in one
of them* *J.R.S.*

[ENCLOSURE]

TRADE MARK
Thomas G. Edison

EDISON PHONOGRAPHS
AND RECORDS

OFFICES:
83, CHAMBERS STREET
NEW YORK U. S. A.

52, GRAY'S INN ROAD
LONDON.

32, REMPART ST. GEORGES
ANVERS.
TELEPHONE 5568

National Phonograph Co

USINES :

55, QUAI DU HALAGE

BRUXELLES (Belgique)

ADRESSE TELEGRAPHIQUE:
RANDOMLY-Bruxelles

Receives
FACTORIES: *Mance*

ORANGE N. J. U. S. A.

BERLIN (GERMANY)

PARIS (FRANCE)

BRUXELLES (BELGIUM)

Bruxelles, le *21* ¹⁹⁰⁴

M^r: Dr. Gilmore
Orange, N. J. U. S. A.

RECEIVED
1904
Ans. 4/4/1904

Dear Sir:-

I have sent you to-day one box containing 95 records made here at our Brussel factories as follows: from moulds made at Orange 112915 to 12926 three of each selection 36 records and 59 records from moulds made here but without selection number; two records for each mould. These latter records are more or less rough but will justify se over-coming by polishing moulds and records are first moulding attempt and as a rule are clean & rough. We doubt they are good for employment in the matter of boxes, labels etc. Have outside box labels made in Paris and boxes containing records are only temporary and made by hand but soon expect to obtain the proper box machine made. Manufacturers are not entering here consequently very slow and no capital be- hind them mostly all small concerns and custom duty is very high from France to into Belgium. Custom duty, freight

Prière d'adresser toute communication en réponse à cette lettre aux usines de Bruxelles.

[ENCLOSURE]

NATIONAL PHONOGRAPH Co

BRUXELLES, LE

Jan 21, 1904 Feuille 2

Mr. R. Gilmore -

delay of shipping etc prevents me from having the boxes made in Paris. We have about 30,000 to 35,000 good commercial records on hand of selections 4,29,15 to 129,26 and will ship to London next week. We are somewhat handicapped on account of lack of moulds. We made a number of English moulds, ready to put in work but are still waiting for selection numbers to number them.

Will go to Paris Sunday next we are very near beginning operations there and will set the plant in motion next week.

Our pay-roll is about Frs 250 (\$50⁰⁰) in Paris for week and our weekly pay-roll here is approximately Frs 1200 (\$240⁰⁰).

Raised our insurance 20,000 Frs (\$4,000⁰⁰) as our stock is constantly growing.

I have also insured our Berlin plant Frs 10,000 (\$2,500) before leaving. The men I engaged to take charge of Berlin factories will arrive here to day to make himself familiar with our manufacturing methods etc.

Sincerely remain yours



[ENCLOSURE]

TRADE MARK
 Thomas A. Edison
 EDISON PHONOGRAPHIC
 AND RECORDS
 OFFICES:
 53, CHAMBERS STREET
 NEW YORK U. S. A.
 57, GAY'S INN ROAD
 LONDON.
 37, REMPART ST. GEORGES
 ANVERS.
 TELEPHONE 5569

National Phonograph Co.

USINES:
 55, QUAI DU HALAGE
 BRUXELLES (Belgique)

FACTORIES:-
 ORANGE N. J. U. S. A.
 BERLIN (GERMANY)
 PARIS (FRANCE)
 BRUXELLES (BELGIUM)

AMERISE TELEGRAPHIQUE
 RADIOPHONIE 3-31-10-10-10-10

1304
 Bruxelles le 1^{er} Jan 1924
 No 4

Records sent to day were tested and result as follows:-

- | | | |
|---------------------------|------------------------|--------------------------------|
| # 1-1 rough & knock | # 10-1 slightly rough | # 20- Echo cracking |
| 1-2 very rough | # 11-2 Echo very rough | # 20-2 cracking & rough. |
| # 3-1 Echo lines cut deep | # 11-3 " crackling | # 21-1 very rough |
| # 4- very rough | # 12- crackling noise | # 22-1 Echo (voice after final |
| 4-1 hissing | 12-2 Echo rough | films.) |
| 4-2 mis-scaled cut (end) | 12-7 " | # 23- slightly rough |
| # 4-3 rough | # 13-1 rough crackling | 23-1 " |
| # 5- rough | 13-2 Echo rough | # 24- Echo very rough false |
| 5-1 " | 13-4 rough | 24-1 " |
| 5-2 Echo & knock | 13-5 knocks & his | # 25-1 Rough |
| # 6- rough | # 14- rough | 25-2 hissing |
| 6-1 " | 14-1 " | 25-3 Echo & rough |
| # 7- his & rough | 14-2 " | # 32-2 slightly rough |
| 7-1 Echo & rough | 14-3 " | 32-3 " |
| # 8-1 rough | # 16- rough | 32-4 " |
| # 9- rough & his | 16-1 " | |
| 9-1x very rough | 16-2 slightly rough | |
| 9-1 his | # 17- slightly rough | |
| 9-2 Echo & rough | 17-1 " | |
| | 17-2 " | |

Records made from Orange Moulds
 # 12925 to # 12926 incl.
 3 records from each above
 Moulds.

Total :- 95 Records

Prière d'adresser toute communication en réponse à cette lettre aux usines de Bruxelles

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLSBOEN.

TRADE
Thomas A Edison.

Phon. - Manuf.
Cable Codes Used: A.S., A.R.C., COMMERCIAL,
LUBBER'S, AND HUNTING'S.

**Thomas A.
EDISON'S**

Phonographs,
Gold Moulded
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Machines,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

MARK
EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.**

25 Clerkenwell Road,

London, E.C.

FACTORIES:

Orange N.J.,
U.S.A.

Berlin

Paris

Brussels

18th March, 1904.

The National Phonograph Co.
Orange, New Jersey.

Gentlemen,

The trading name of the National Phonograph Co., Berlin, has been changed, we having registered an entirely new name as follows:- "THE EDISON GESELLSCHAFT M. B. H.". The new Company will become operative on April 1st 1904 and all communications addressed to them after this date should be in accordance with the above. The offices of this Company will be 24-25, Sudufer, and the cable address as heretofore will be "Ediphon".

Very truly yours,

Jos. Hadzite
European Sales Manager.

J.H.W./L.D.

3/28/1904

10/1

**NATIONAL PHONOGRAPH COMPANY,
LIMITED.**

Directors :

W. E. GILMORE, Esq. G. CROYDON MARKS, Esq., J.P.,
and J. H. WHITE, Esq.

REPORT OF THE DIRECTORS

To be presented at the Second Annual General Meeting of the Company, to be held at the Registered Offices of the Company, 56, Chancery Lane, London, W., on the 28th day of March, 1904, at 1 o'clock.

1.—The Directors submit a Statement of Accounts and Balance Sheet as at December 31st, 1903, duly audited.

2.—In consequence of the delay and difficulties that arose in connection with the legal and other formalities pertaining to the acquisition of the lease of premises in 25, Clerkenwell Road, and 105, John Street, which the Directors had selected as being suitable for the Company's business, it was found impossible to enter into actual possession of such premises until January 1st, 1904.

3.—Owing to the vexatious delays that thus arose and the impossibility of entering upon the proper premises for the storage of goods and for the transaction of business, the Directors have to report that no actual trading or business could be done directly by the Company; they therefore made arrangements whereby the business that would otherwise have been transacted by them should be undertaken, until December 31st, 1903, on commission, by the National Phonograph Company of Orange, New Jersey, U.S.A.

4.—Mr. W. E. Gilmore retires by rotation and offers himself for re-election.

THE NATIONAL PHONOGRAPH COMPANY, LIMITED.

BALANCE SHEET, 31st DECEMBER, 1903.

| | £ | s. | d. | £ | s. | d. |
|--|--------|----|----|--------|----|----|
| TO CAPITAL AUTHORISED— | | | | | | |
| 5,000 Shares of £1 each | 5,000 | 0 | 0 | | | |
| " CAPITAL PAID UP— | | | | | | |
| 1,000 Shares fully paid | 1,000 | 0 | 0 | | | |
| " Unsecured Loan | 1,000 | 0 | 0 | | | |
| " Creditors | 98 | 18 | 8 | | | |
| " Profit and Loss Account— | | | | | | |
| Balance as per Account below | 470 | 16 | 0 | | | |
| | £2,569 | 14 | 8 | | | |
| | | | | | | |
| By Debtors | | | | 491 | 16 | 4 |
| " Cash on Deposit with Guarantee Society | | | | 2,000 | 0 | 0 |
| " Guarantee Premium paid in respect of Lease | 37 | 10 | 0 | | | |
| Less amount written off | 3 | 2 | 6 | | | |
| | | | | 34 | 7 | 6 |
| " Registration Fees, Capital Duty and Preliminary Expenses | 47 | 10 | 0 | | | |
| Less amount written off | 3 | 19 | 2 | | | |
| | | | | 43 | 10 | 0 |
| | | | | £2,569 | 14 | 8 |

PROFIT AND LOSS ACCOUNT for the year to 31st DECEMBER, 1903.

| | £ | s. | d. | £ | s. | d. |
|---|------|----|----|------|----|----|
| To Income Tax | | | | 13 | 18 | 8 |
| " Proportion of Guarantee Premium written off | 3 | 2 | 6 | | | |
| " " Preliminary Expenses, &c., written off | 3 | 19 | 2 | | | |
| | | | | 7 | 1 | 8 |
| " Balance carried to Balance Sheet | 470 | 16 | 0 | | | |
| | £491 | 16 | 4 | | | |
| | | | | | | |
| By Commission | | | | 491 | 16 | 4 |
| | | | | £491 | 16 | 4 |

To the Shareholders of the NATIONAL PHONOGRAPH COMPANY, LIMITED.

In accordance with the provisions of the Companies Act, 1902, I certify that all my requirements as Auditor have been complied with. I report that I have audited the accounts of the Company for the year to 31st December, 1903, and have examined the above Balance Sheet with the accounts and vouchers relating thereto, and in my opinion it is a full and fair Balance Sheet properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as shown by the books of the Company.

LONDON,
17th March, 1904.

W. D. CALLAWAY,
Chartered Accountant,
AUDITOR.

U 3/7/04

17

C. C. 22
27/5

**NATIONAL PHONOGRAPH
COMPANY, LIMITED**

NOTICE IS HEREBY GIVEN that the
SECOND ANNUAL GENERAL MEETING of the
NATIONAL PHONOGRAPH COMPANY, LIMITED,
will be held at the Registered Office of the
Company, 56, CHANCERY LANE, LONDON, W.C.,
on the 28th day of MARCH, 1904, at 2 o'clock,
for the following business:—

- (1) To receive the Report of the Directors
and the Accounts to the 31st December,
1903.
- (2) To elect a Director in place of one
retiring by rotation.
- 3) To elect an Auditor.

Dated this 19th day of March, 1904.

By Order,

(Signed) G. CROYDON MARKS,

Managing Director,

On behalf of the Board.

56, CHANCERY LANE,

LONDON, W.C.

19th March, 1904.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.

EDISON LABORATORY CHANGE, N. J.

OFFICE AND SALESROOM.

IN REPLYING TO THIS LETTER

105 N. 4TH AVENUE
83 CHAMBERS STREET, NEW YORK.

CHICAGO OFFICE, 167 WABASH AVENUE,
FERRIS BLDG., 48 CHANDLER ST., N. Y.

PLEASE MENTION THESE INITIALS.

Orange, N. J.

Mar. 30, 1904.

G. Croydon Marks, Esq.,

London, England.

Dear Sir:

I enclose you herewith original letter dated March 28th, from Mr. Dyer to myself, relative to the organization of the German company, together with your letter to me dated the 14th of March, from Berlin.

I do not think that this plan is proper. What I want to do is to have the New Jersey Patent Co. grant licenses to all the different companies that we will organize in Europe, and not through the National Phonograph Co., Ltd. I want to treat the National Phonograph Co., Ltd., as a purely selling concern, handling our products throughout the British Isles, and I do not like the method of having all these transactions go through the National Phonograph Co., Ltd. There may be a reason, however, that will not permit of this with which I am not familiar, so I wish you would think over this matter and be prepared to discuss it with me when I see you in London about the 13th of April.

Yours very truly,

W. E. Gilmore
President.

WEG/IWW
Enc-A

[ENCLOSURE]

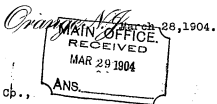
Legal Department

*Thomas A. Edison
National Phonograph Co.
Edison Manufacturing Co.
Bates Manufacturing Co.
Edison Storage Battery Co.*

*Phov. - Legal
Telephone 211 Broadway
Cathedral News Catalog Changes*

*Frank L. Dyer, Counsel
Frank C. Bradley
John S. Hallinan, Assistant Counsel*

Subject: German Company



W. E. Gilmore, Esq.,
National Phonograph Co.,
Orange, N. J.

Dear Sir:-

Your favor of the 25th inst. has been received, attaching letter from Mr. Marks which I return herewith.

As I understand the scheme, a German corporation is to be formed capitalized at £20,000 of which you, Mr. Edison, Mr. White and Mr. Marks are to hold shares for £100 each, and the National Phonograph Company, Ltd. of London is to receive shares for £19,600 in payment for the German patents now owned by Mr. Edison. These latter shares are then to be transferred to the New Jersey Patent Company, while Mr. Marks and Mr. White are to execute blank assignments for their holdings.

I see no objection to this scheme except to suggest, if it has not already been done, that the German patents be assigned by Mr. Edison to the National Phonograph Co. Ltd. and then from the latter Company to the German Corporation, in order that there may be a bona-fide consideration for the stock.

In accordance with your suggestion, I have written Mr. Marks to-day explaining that it will be hardly possible for me to furnish him with the necessary power of attorney before he leaves

[ENCLOSURE]

W.E.G.2 - German Company.

for this side, and requesting him to advise me by cable as to
what he wishes me to do.

Yours very truly,

Frank L. Spence

FLD/AM.

Enclosure.

[ENCLOSURE]

8



POSTMAN OFFICE
RECEIVED
MAR 24 1904
ANS.

Dear Mr. Edison

I have all matters
framed up on the New Co.
It will be impossible to use
the name Edison and Plover
in title or account of Edison
name. As has decided
Plover is the name (Mr. Plover)
Edison Gesellschaft m.B.H.

[ENCLOSURE]

Should be. Mr. Schorn. yourself
share & myself each £100.

N. P. Co Ltd London

£19.6 00 in shares for the

German Patents now owned
by Mr Schorn.

I will have blank forms
signed by both myself
for our holdings and the

N. P. Co Ltd shares can be
transferred to Mr. Schorn. Peter Co
or any other owners if there is
any objection to Mr. Schorn
owning such.

Mr Schorn must be a shareholder
as in company law now in
force.

I have called Mr. Schorn for
a power of attorney for the
Company papers. my secretary
can bring myself for such.

Perhaps I shall see you
before an answer can reach me
in ^{the} ~~the~~ ^{future} ~~future~~
~~the~~ ~~future~~

CABLE ADDRESS: "E.I.C.T.C., NEW YORK."
A.I.A.B.C. COMMERCIAL, LIBRARY, PRINTING AND PRIVATE CODES USED.

TELEPHONE:
4415 FRANKLIN.

TRADE
Thomas A. Edison.
MARK

FOREIGN DEPARTMENT
OF THE
NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.

FACTORIES:
ORANGEN, J.U.S.A.

EDISON PHONOGRAPHS
AND RECORDS
EDISON PROJECTING KINETOSCOPES
AND ORIGINAL FILMS
EDISON PRIMARY BATTERIES
AND FAN MOTOR OUTFITS
BATES AND EDISON NUMBERING MACHINES.

83 CHAMBERS STREET,
NEW YORK, N.Y.

EUROPEAN OFFICE:
32 REMPART ST. GEORGES,
ANTWERP, BELGIUM.

New York, U.S.A. April 18, 1904.

Mr. W. E. Gilmore, Pres't.,

National Phonograph Co., Ltd.,

25 Clerkenwell Road,

London E. C. England.

Dear Sir:--

I beg to hand you herewith communication received from Mr. Cabañas, in which he confirms his cable, asking us to send Recording Outfit to Mexico.

The Outfit -comprising a shipment of 11 cases- was forwarded the 15th inst., by Express and Mr. Werner will leave the following Tuesday, (April 19th) and I have cabled Mr. Cabañas to this effect.

I have forwarded one copy of Mr. Cabañas's letter to Mr. Schermerhorn and a copy to Mr. Miller.

ESTIMATE OF RECORD TAKING: He gives the approximate cost of the 350 titles, \$5600.00 Mexican Silver, equivalent to \$2464.00 U.S.Cy.

MR. WERNER'S EXPENSES: I advanced Mr. Werner \$200.00 to provide for his expenses to Mexico City and have asked him to render his expense account each week to Mr. Cabañas who will O.K. same and pay the amount from cash he will draw against his letter of

*and
5/11/1904*

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

April 18, 1904.

W.E.G.--2.

credit. Mr. Werner's salary will be arranged at the factory.

NUMBER OF MASTER RECORDS TO BE TAKEN: Mr. Miller advises: that this matter must be left to Mr. Cabañas, but states that we should have as many if not more than the Columbia people. I have advised Mr. Cabañas, and Mr. Miller has also given Mr. Werner positive instructions, that what we require is QUALITY.

I shall arrange to renew letter of credit as expense vouchers are received.

Very truly yours,

Walter Edwards
MANAGER FOREIGN DEPT.

WS/AL/ENCL.

[ENCLOSURE]

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

C O P Y.

Mexico City, April 5, 1904.

Mr. Walter Stevens, Manager Foreign Dept.,
National Phonograph Co.,
85 Chambers St., New York.

Dear Sir:--

Yesterday afternoon I cabled you as follows:

"Abuna Practically Bradybene Glutino Recording Accomace of Anellate and Outfit."

which you will read:

"Arrangements are completed practically. Send as soon as possible outfit for recording. Telegraph probable date of arrival of our expert and outfit."

Although there is a great deal to be done yet with regard to selecting the music to be recorded here, most of the obstacles in the way of securing talent have been overcome, and I believe that we can start right to work just as soon as the outfit arrives, even though it has been made ready to start on short notice, which, indeed, I trust is the case. I trust that, as was proposed by Mr. Miller, the expert will make it a point to go through Laredo at the time the outfit does, as they are very careless in repacking there, and if he is on the ground to see that this is properly done, probably a good deal of breakage will be avoided. I tried to have the goods come straight through to Mexico City and be inspected by the Customs officials here, but was unable to do so. I was also unsuccessful in obtaining exemption from duties on the outfit. Could probably ultimately get such a concession, but it would

*Has written a letter to
Mr. Miller, asking for
Mr. Miller's present
instructions*

[ENCLOSURE]

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

--2--

entail a loss of time in the arrival of outfit, which, as the duties will not amount to very much, would not be worth while.

ESTIMATE OF RECORD TAKING:

While I cannot as yet give you an absolutely accurate estimate of the expense which will be incurred in this connection, I believe the following to be very nearly correct. In outlining this work I have very thoroughly consulted both Messrs. Morales Cortazar & Co. and Mr. Jorge Alcalde, and have also been guided in a measure by the work done by the Columbia people, as representative of Mr. Joaquin Espinosa's opinion of the records which will have the best demand here. As this latter gentleman is entirely tied up with the G.P.Co., he could not be consulted direct.

The distribution and cost of this work will be about as follows:

1st. POPULAR:

| | No. | Cost |
|--|-----|----------|
| Songs (Solos and Duets) guitar accompaniment | 120 | \$600.00 |
| National Episodes -battles etc- | 20 | 400.00 |

2nd. BANDS:

| | | |
|--|-----|---------|
| Mexican selections, by the three best Military bands in the Republic | 100 | 2500.00 |
|--|-----|---------|

3rd. SONGS:

| | | |
|--|----|---------|
| Selections from most popular zarzuelas (light opera), comprising solos, duets, trios and quartets, with choruses when necessary; also typical songs not taken from zarzuelas -all with orchestra accompaniment | 70 | 2700.00 |
|--|----|---------|

| | | |
|----------|-----|---------|
| Forward- | 310 | 5200.00 |
|----------|-----|---------|

[ENCLOSURE]

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

--3--

Carried Forward-

| | |
|-----|-----------|
| No. | |
| 310 | \$2200.00 |

4th. MISCELLANEOUS:

| | | |
|---|-----|---------|
| Orchestra and instrumental selections; typical vocal selections with guitar and piano accompaniment, etc.-- | 40 | 400.00 |
| Total | 350 | 5600.00 |

Explaining these items more in detail, would state the songs under the 1st. are typical of the lower classes, and have a very great demand among its kind of people, especially for exhibitors, of which I am informed there are in the neighborhood of 2000 traveling throughout the country. The "National Episodes" are sketches from Mexican history, comprising battles, etc. They are made only by one man and his assistants here, who make a specialty of this work for wax records. Although this class of records are sold most extensively among the lower classes, they have a fair demand among the upper classes, The "National Episode" repertoire consists of about 100 selections, of which we have selected the 20 best sellers.

2nd. For the execution of these selections I have contracted the Estado Mayor and Zapadores bands, and have secured the agreement of the 1st. Artillery Band to play for us as soon as it can obtain a lease from its contract with the C. P. Co., or said contract can be gotten around, active steps towards which end are being taken. We will then have the three best military bands in the country, and the 100 selections to be taken of this class of music will be divided among the three bands in proportion with the popularity the dealers here believe they enjoy. The price

[ENCLOSURE]

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

--4--

agreed upon is \$100.00 per session of three hours, and we have figured four selections per session. This is conservative, I believe, as the C.P.Co. averaged seven selections of two master records per session.

3rd. This item includes almost all of the high class songs with orchestra accompaniment, and the prices at which the singers have been contracted vary. Although we will get some of the singers of the Principal Theatre (now under contract with the C.P.Co.) if necessary, most of these selections will be executed by parties not belonging to that troupe, although well and favorably known to the Mexican public. In selecting these we have considered less their popularity on the stage and more the quality of their voices than was the case with the other company. It is true that the Principal Theatre troupe has the most popular artists in the country, and we will secure them if we have to, but believe there is material here from which a great deal better results can be obtained than the sample records forwarded you.

4th. This item includes selections from typical orchestras, quintets, etc., and a few high class vocal solos and duets with guitar and piano accompaniment. The Mexican typical orchestras are composed almost wholly of string instruments, and are, therefore, I believe, difficult to record. We have, therefore, wherever there is any doubt, made it a condition of the contract that a trial be made before any number of selections are agreed upon.

I have as yet not secured quarters for installing the plant, but have several in view. The approximate rental will be \$100.00 per month.

[ENCLOSURE]

NATIONAL PHOTOGRAPH COMPANY
FOREIGN DEPARTMENT.

--5--

Of course, all prices mentioned are in Mexican currency. I believe that the prices at which talent has been contracted when converted ~~in~~ into U.S.Cy., will compare very favorably indeed with the prices obtaining at the laboratory.

I trust I have not gone into unnecessary details in this connection, but desire to keep you as thoroughly posted as possible on the work that will have to be done here.

EXPERT'S EXPENSES, SALARY, ETC.

I believe it is your wish that I handle these accounts here. I would therefore request that you give me definite instructions as to amounts, advances, if any, etc. in this connection. I request this, of course, on the supposition that it has been found impracticable to have Mr. Miller come down.

NUMBER OF MASTER RECORDS TO BE TAKEN:

The agreements I have made are based on two, or at most, three masters of each selection, this being the number Mr. Miller told me he thought would be necessary. If there has been any change in Mr. Miller's plans I would like to know as soon as possible, in order to make corresponding arrangements. I have thought it advisable in most cases to pay per selection rather than according to time consumed, because I feared the latter arrangement would cause less satisfactory and more expensive work.

I will most heartily appreciate any suggestions Mr. Miller may deem it advisable to make in connection with this work, with which I am at best not as familiar as I might be. Of course Mr. Werner is I know thoroughly capable, but everything will assist to obtain the most satisfactory results possible.

[ENCLOSURE]

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

--6--

FUNDS:

I have still on hand practically the amount of letter of credit (\$1,000.00 U.S. Cy.), and this will be sufficient to cover expenses for some little time after plant starts operations. For further remittances, I believe letters of credit will be the most satisfactory form. Mr. Hollins advised Mr. Root and myself that I could sign these here on receipt.

I trust soon to receive your cable advice as to when we can expect arrival of outfit, and with kind regards, beg to remain

Yours very truly,

(Signed) R. CARRANAS.

Complaints

21st April, 1904.

Mr. Henry Nowald,
Equitable Palast,
Berlin, W.

Dear Sir,

You will doubtless be surprised to hear from me again from London. I have just received a communication from my Orange office to which is attached an original letter addressed by you to Mr. Thomas A. Edison, in which you complain most bitterly at the so-called treatment that you have received from the management of the London office of the National Phonograph Company. In the first place let me say to you that Mr. Thomas A. Edison does not give any of his personal attention to the commercial end of the phonograph business. He is not familiar with any of its details, and therefore is not competent to answer any communications that you may address to him, whether in the way of complaints or otherwise, so far as the phonograph business is concerned. I immediately took up with Mr. White personally the general complaint that you make, and he has shown me copies of certain letters that he has written you, one under date of April 5th, and another under date of April 7th, to which I understand he has received as yet no reply whatever. Now in answer to your letter I hardly think it proper

that you should address such a general letter of complaint, but that you should have been more specific as to your inability to procure certain goods from this end of the line. Upon investigation I find that the orders about which you complain call for some reproducers. The only answer I can make you is that the London office of the National Phonograph Company could not furnish you with these goods as they were unable to procure them from the factories, and the reason of such inability was that the factories were not able to take care of the demand for extra reproducers as our facilities were not sufficient at the time.

I am very sorry at the sarcasm of your letter relative to Mr. Graf's form of management and your criticism that the present management "is still worse". I consider this absolutely uncalled for. Furthermore my recollection is that you have not at any time been satisfied with the management, and as this management has been placed in authority by me I can only conclude that the question is one that I am better able to cope with and decide about than your good self. I would, therefore, prefer that such letters as this be not written, and I can assure you that should any further communications be written to Mr. Edison or myself of this character I shall simply consign them to the waste-paper basket, and refuse to reply to them. If after due consideration you conclude that you prefer to close your account with us it will be entirely satisfactory to me.

Very truly yours,
NATIONAL PHONOGRAPH COMPANY,

W.E.G./L.D.

President.

[FROM WILLIAM E. GILMORE]

Phon. - Marks

21st April, 1904.

Thos. A. Edison, Esq.,
Edison Laboratory,
West Orange, N.J.

Dear Mr. Edison,

You will remember that some time ago we advanced the National Phonograph Company Ltd. of London \$10,000, which was necessary to put up as a guarantee for the rent of the premises at 25 Clerkenwell Road. On an arrangement made by Mr. Marks and myself when I was last in Europe we purchased through the Law Guarantee Society £2000 (\$10,000) of 5 per cent. debentures of the Royal Hotel at Ventnor, Isle of Wight. In addition to the debentures themselves we are guaranteed the interest and principal of the Law Guarantee Society, so this is practically a safe investment. In fact Mr. Marks assures me that the Royal Hotel is a very prosperous institution being located at one of the finest watering places in the Isle of Wight. After the first year we can if we like reduce this amount proportionately until the whole has been wiped out, but this is a question that can be taken up and decided later on. The charge for guaranteeing the rental by the Law Guarantee Company was 250 or \$250. The lease and premises at 25 Clerkenwell Road will, you

remember run until the end of 1909. I send this to you as a matter
of information.

Very truly yours,

[FROM WILLIAM E. GILMORE TO JOHN R. SCHERMERHORN]

Record - Manuf.

April 22nd. 1904.

My Dear John:

I have been here a week, or practically a week to look around. In the first place I find that the place is loaded with good and there is no more room than is really needed. In fact it is a question whether there is going to be enough room for the Fall trade. I think not, and White will therefore have to look around for a storage room. I do not think he will find much trouble in getting it in the immediate vicinity. We all thought it would be plenty large enough, but it is not.

The outlook for business over here is very bright indeed, and from what White tells me there is going to be a large business done here this Fall and Winter. The agreements are working in fine shape, and we only have one real good case of cutting prices, and that is a man by the name of Gamage, who runs a large department store on one of the principal streets. He is trying now to make overtures, after doing all the damage he could, but I have given instructions to Mr. Marks to press the case to a final hearing, so as to get a decision that can be used to good advantage later on. There were a number of small dealers who cut on our goods, but as soon as we go for them they lay down, as they will not fight, and there is nothing to do but sign them up, taking judgment of course by default. Gamage is a Company with lots of money, wanted to fight and will get all he wants.

We must push ahead to get a big stock of machines, as we shall require a lot of them over here to take care not only of the English trade, but the German and French, as well as others, and to this end I am going to load him up to the muzzle. Now you want to take this up with Weber at once and arrange to keep the production right up on phonographs, and then the question of getting the new record plant going will must also be well ~~well~~ considered. Of course I have got to keep the record plants going here and no doubt this will relieve us materially.

I have been going through the principal accounts here, and I find that some of them have been higher than our accounts. For instance, I find that Murdoch's account for December last was \$14,706, and for February of this year it was \$21,777. Stockall for December was \$14,650, and for February \$12,450. Symonds Stores for December was \$22,266. There are quite a few others that run from \$2,000, to \$7,000. Now this business is going to require a great deal of nursing, and in view of the fact that White has a great deal more competition than we have in the States it is my intention that he shall be favored, and we must be prepared to help him out in every way. I therefore want you to give this serious consideration, and Weber as well, and be

prepared to discuss it fully when I get back.

The books are in bad shape, but Buehler has taken right hold of things and will soon have order out of chaos. We shall keep Jubert on until everything is satisfactory to Buehler when he will be fired. He is absolutely useless. When he gets back to the States he will doubtless apply for a job with you, but do not put him on. I am through with him. Tell Westee.

We expect to leave for the Continent Monday next. I should go before, but will have to wait for the letter you sabled you mailed last Saturday, as the chances are it will not be delivered until Monday. We shall go right through to Berlin, then back to Brussels and then to Paris, and then back again to London. I see no good reason now why we should not get away for home about May 25th. However, you never can tell why may arise to change this.

We had rather a disagreeable trip over. Lena was ill for three days, and never left her berth. It was very rough on the Sunday, and there were very few down to luncheon, and not many more for dinner. I had my meals that day in the room, with the exception of breakfast. I talked with Ed Waters over the telephone about an hour ago. We expect to run down to Rugby on Sunday, to see them.

I assume that Mr. Edison has returned and that he is looking and feeling well. However, your next letter will doubtless tell me all about it. I have written him a long letter by this same mail. Lena seems to be enjoying herself on land, and she does nothing but god and lock. She knows now how and where to go, and that of course leaves me to attend to business. I have taken lunch with her one day since our arrival.

I have been listening to some of those British records and they are entirely too blasty. White tells me that the public here are beginning to criticise this and as a consequence we have got to reduce the volume and increase the quality. I have already started this. I have also instructed Hayes to begin at once to make his talent with orchestra ~~xxxxxxx~~ and to cut out the piano almost entirely. The bands and orchestras are almost alike and very harsh indeed. Now I ~~xxx~~ want you to send for Walter Miller and have a talk with him about coming over here soon. Hayes is a way behind what we are doing and I think it would be to our advantage to have Miller come over here rather than have Hayes go over there. Of course I do not know whether Miller has the 4th. Avenue plant running smoothly as yet, but if he can arrange to get over here before I leave I wish you would have him do so. Now if Mr. Edison should object tell him I know the conditions as they are, and Miller must come over. If Miller says he has not sufficient help to operate the 4th. Avenue plant send him anyway, as I warned him a long time ago to put on plenty of help. He should arrange to be away about two months all told. Cable me about this, stating how soon he will leave.

I shall close this letter now, as I want to make sure it gets in the mail, so with love to the little ones at home, Angie, Agnes, Jane and yourself, I am,

Gilman

[FROM WILLIAM E. GILMORE]

Phon. - manuif.

April 22nd.1904.

My Dear Mr. Edison:-

A week has passed since I reached London, and I have been looking the ground over quite carefully, so I will write fully how I have found things here. In the first place the books are as we expected in pretty bad shape, but Buchler, the expert accountant I sent over from the Works is hard at work and will get everything in good shape very soon I hope. We are also looking around for a good accountant, and there is no good reason why a satisfactory man cannot be procured here. This is of course having close and careful attention, and Buchler will not go back until the new man thoroughly understands everything. We are now closing the books for the month of December last, and thereafter the work will come along very quickly I hope.

The total amount of cash sent into Orange for the twelve months ending February 29th. 1904 was \$366,208.80. The amount of money sent in during March, 1904, was \$66,710.41, and this month a check has been sent you for \$25,359.75 to pay royalties, &c., and I have drawn down \$3,000. additional, which I turned over to Edward H. Johnson, as instructed by you.

The Accounts Receivable to the 1st. April amounted to \$130,275.13 and to the 16th. April they have increased about \$50,000. On the other hand they owe about \$2,000. outside of the consignment account to Orange.

The total sales for the twelve months ending February 29th. 1904 were \$663,355., and the sales for the month of March, 1904, were \$79,471. as against \$26,128. for March 1903. The total sales for the month of April, 1903 were \$18,806., and the total sales for the month of April, 1904, to the 16th. inclusive are \$20,884.56

Our business here is going to grow right along, and it has got to be watched very closely. There is a ~~great~~ great deal more competition here than in the States, but I must admit that generally speaking White has things in very good shape indeed. He has a nice way about him, can sell goods and in this way retains his customers. Then again the agreement system is working fine here, and the only real fight we have on is a department store known as Gemage. They defied us at first, but seeing that we meant business they do no further advertising at all but prices, and have approached Marks indirectly to settle, but as Marks is satisfied that we have a good case I have instructed him to push ahead for a decision. We have had any number of decisions by default, as it is very expensive to fight and the little dealers will

not fight, so that in their cases the victory is somewhat hollow. We have had here accounts with some of our jobbers that exceed those in the States for a single month, one of them running over \$22,000. I have the details of the principal accounts and will show them to you when I get back.

The outlook for business is good and already the cry is are you going to be able to take care of our orders in the Fall and Holiday season. I am writing Schermerhorn about this, and I shall stir them up when I get back. The Columbia seem to be dead here and Pathe has killed himself with the English trade by turning out the worst kind of product. The only people we have to compete with therefore is the Gramophone Co. I understand that they are going to have some fierce competition this Winter, however, as several manufacturers are coming out with a 25 cent disc record. This of course hurts.

I am going on the Continent either Monday or Tuesday next. I shall go right through to Berlin and then back to Brussels and Paris. The three plants are now running, the last one Berlin having started up some days ago. I shall of course go into these most carefully, to get them going on a paying basis as soon as possible.

I have not seen Johnson, but had a letter from him from Berlin in which he asked me to send on that \$3,000., which I did. He has gone to Nauehm for treatment, and it is doubtful whether I shall see him before I leave for the States. Mrs. Johnson is in London with her son I believe. Johnson is no doubt in bad shape financially, so far as I can learn.

I am very glad I came over, as they all needed a lot of bracing up, and I can see now that I must come over at least twice a year, as this territory is a very rich one, and we must nurse it carefully, so as to get all we can out of it.

Trusting that you will have returned to Orange in fine fettle, ready for the fray, and with kind regards from Mrs. Gilmore and myself, I am,

Yours very truly,

P. S. Eye-the-way the record making over here is "rotten". I have written Schermerhorn to arrange to send Walter Miller over so that he can get here before I leave. The records are hard and blasty, and although this is what they wanted six months ago, the public are beginning to discriminate, and the only way to do it is to give them quality and not quantity. We have gone through this in the States, so there is nothing new in it. Oh, if I had only a good recorder. It must come along some day, and is the next move, and the salvation of the business--that is the ~~principal~~ principal thing we want now.

Henry Mowalt

TELEPHONE AMT 1. 974
TELEGRAPH ADDRESS: NEWALD-BERLIN.
COSA-1980
L. M. (4th EDITION)
LITERARY CODE
WESTERN UNION TELEGRAPH

Phon. Complaints

BERLIN W. 27.4.04.
EQUITABLE PALACE

Mr. W. E. GILMORE,
President of the NATIONAL PHONOGRAPH COMPANY

25 Clerkenwell Road LONDON E.C.

Dear Sir:-

I have your favor from April 21st. My complaint was perfectly in order, as I have the proofs in my hands. I would never do anything without a proof.

If you say, that you are responsible for the management, then it is certainly your fault and it is certainly your mistake, if you say so.

In regard to my complaints I beg to say that I am in such a long connection with your Company, that I think myself justified to put such complaints either before yourself, or before Mr. EDISON or before your Board of Directors. Whether you like this, or dislike this, I do not care. I will act always in this respect according to my best judgment.

You say that I have always complaints about your management. This is not true. I have never complained about your management in the States, but I always had to complain about your management in Antwerp. Whose fault this was I did not know. But I think that there is a fault on your part and a fault on the part of your European management, if f.i. letters are not answered promptly and orders f.i. are not even acknowledged or, may be, acknowledged two months after. Similar occurrences have happened to me many of times. I never complained about your American management, although I have been dealing with you in the States during 6 years, but you never heard from me a wrong word or a complaint. We always had been on the best terms.

But what I say here I can prove and I will prove it, Mr. GILMORE, and if you do not investigate it, I will have investigated it from your Board of Directors. Just because you wrote me such a letter I will prove what I have said. You can depend on it!

I have appealed to yourself because I always found, that your American house has filled my orders promptly and properly. But if you write me such a letter instead of investigating the facts, will not stand. I can exist without your COMPANY and your Company certainly does not need me at all. I know that. But just on account of the fact, that we never had a misunderstanding before, just on account of that, you should not have written a

Henry Nowald

TELEPHON AMT 1. 674
TELEGRAMM ADRESS: NEWALD-BERLIN.
COUCH 1938
A.B.C. (M 19-104)
LIEBENS CODE
WESTERN UNION TELEGRAPH

BERLIN W.
EQUITABLE PALAST

W.E.G. 2.

letter like this. If you go back to the first years of my connection with your Company until GRAF started in Antwerp, you will never find the slightest misunderstanding between myself and your Company.

You say, that you have investigated my complaints. But I think you have not done so. Otherwise you would have found by going over my correspondences that in some instances it took 2 or 3 months to notify me only, that the goods were not in stock in London, when I was waiting and waiting in Berlin from week to week to receive the goods. If the goods are not in stock in London it would be a "proper management", that I should receive notice and not, that I should have to write 3 or 4 times until I get a letter or acknowledgement two months after, that the goods are not in stock, or that 5 months after I am asked, whether I want the rest of my order, which has been shipped partly 5 months before.

What I say here is true; I can prove it. If you will take the pains of calling on my office, I will show it to you. I never complain just for the sake of complaining, but only if I cannot help it.

Dict. H.N.

Very truly yours
Henry Nowald
H. Nowald, Berlin W. 1, Equitable Palast

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 6050, HOLBORN.

Phon. - Manuf.
Thomas A Edison.
TRADE MARK
Cable Codes Used: A.L., A.R.C., COMMERCIAL, LIEBK'S, AND HUNTING'S.

**Thomas A.
EDISON'S**

Phonographs,
Gold Mounted
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Edison and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.**

25 Clerkenwell Road,

London, E.C.

FACTORIES:

Orange N.J.,
U.S.A.
Berlin
Paris
Brussels

9th May, 1904.

W. E. Gilmore, Esq.,
Hotel Westminster,
Rue de la Paix,
Westminster.

Dear Mr. Gilmore,

I have pleasure in enclosing you herewith reports which have come in on Ludwig Stollwerck and the Deutsche Edison Phonographen Gesellschaft M.B.H. These reports I think you will find speak for themselves, and I would call your particular attention to the closing paragraph of the report on the Deutsche Edison Phonographen Gesellschaft, in which you will see that the first steps in liquidation were taken on December 3rd 1903. According to Dr. Schneider's advice this would make it impossible to complete the formalities until December 3rd 1904, and undoubtedly furnishes a reason for Stollwerck not wishing to trade under the old name. I think you will agree that this is very obvious indeed. I have in mind the fact that you will probably see Stollwerck in Paris, and you will undoubtedly want the information contained in these reports.

I have forwarded a copy of the reports to Mr. Marks

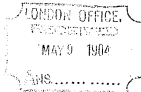
Very truly yours,

J.H.W./L.D.

J. H. W. / L. D.
Sales Manager.

[ENCLOSURE]

Mr. C. Mack
Am Gilman



Translation.

Deutsche Edison Phonographen Gesellschaft m. b. H.
Köln, Corneliusstr. 2

3. Mai 1903.

Above company has been established in October 1895. The stock capital amounts to M. 1,200,000.-- At the founding of the Company 25 % of the stock capital were paid in, and in December 1896 further 25 % were paid in by the partners.

Partners are:

- 1) Director Böttinger, Elberfeld with M. 36,000.--
- 2) Carl Gahn, Berlin, with M. 72,000.-- 3) Johann Daniel Fuhrmann, Antwerpen, with M. 36,000.-- 4) H. Meißner, Breslau, with M. 72,000.-- 5) Arthur Poensgen, Düsseldorf with M. 36,000.--
- 6) Carl Poensgen, Düsseldorf, with M. 36,000.-- 7) Erh. Aug. Scheidt Kettwig, with M. 72,000.-- 8) Louise Schürmann, maiden name, Scheidt Kettwig, with M. 36,000.-- 9) Peter Schürmann, Bonn, with M. 36,000
- 10) Carl Stollwerck, Köln, with M. 36,000.-- 11) Gebr. Stollwerck (Bros.) with M. 50,000.-- 12) Deutsche Automaten-Gesellschaft Stollwerck & Co., with M. 112,800.-- 13) May Wilke, Guben with M. 36,000
- 11) Edison United Phonograph Co. Orange New-Jersey with M. 333,400.--

§ 15 of the Statute of the Company prescribes:

If the company goes into liquidation the partners No. 1 to 13 must pay to the Company that amount of their subscribed shares which they have not yet paid in. The property left, after all debts have been met, is to be distributed among the partners

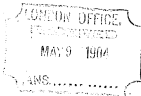
[ENCLOSURE]

in such manner that in the first place M. 250,000.-- is paid back to the partners No. 1 to 13 in relation to their shares. These 13 partners receive likewise 2/3 of the remaining property and the last third must be turned over to the Edison United Phonograph Co.

As the Company has been dissolved on December 3rd 1903, and as the liquidation commenced from that date, the remaining 50% of the stock capital, which were not yet paid, have been called in. Liquidators of the Company are Mr. August Heise and Heinrich Trimborn. The board of Directors consists of: Director Böttinger, Kl. Harfeld, Carl Cahn, Banker, Berlin, H. Meinecke, Breslau, Carl Feenagen, Düsseldorf, Carl Stollwerck, Köln and the lawyer Emil Schiewindt, Köln.

[ENCLOSURE]

M. Gilmore



Ludwig Albert Stollwerck, merchant, Köln, Hardeystr. 16

4th May 1904.

Stollwerck was born 1857 and married 1881 Miss M. Schla-
loth from Köln. He possesses larger means from home as well as
through his wife. His father in law is proprietor of a number of
valuable houses in Köln, and from this side Stollwerck has to ex-
pect property later. 1894, before the introduction of self-valuation
Stollwerck paid M. 3,160.-- state incometax. The family of the re-
peatedly mentioned party, (who is supposed to live with his wife
in separate ownership of property) consists outside of the couple,
of 3 sons and 2 daughters. Ludwig Stollwerck is partner or share-
holder of the firm Gebr. Stollwerck Actien-Gesellschaft, Köln.
The Stock capital of the company amounts to M. 9,000,000.-- and
the shares are in the hands of the members of the Stollwerck family
exclusively. Besides the jointstock share company Gebr. Stollwerck
disposes also over a capital of M. 5,000,000.-- consisting of pre-
ferred shares, which before long will be brought to quotation at
the Exchange. Ludwig Stollwerck among others participated at the
founding of the Deutsche Automotengesellschaft, Stollwerck & Co.,
at the Austrian-Hungarian Automaton Company Stollwerck Bros. & Co.,
in Vienna, the firm of Volkmann, Stollwerck & Co., in New-York and
the firm of Stollwerck Bros. in Pressburg. He is supposed to be
still a partner in these enterprises. He is still in the board
of the managing committee of the firm of Gebrüder (Bros.) Stoll-

[ENCLOSURE]

werek, A. G. in Köln, and is also engaged with the Deutsche Edison-Phonographen-Gesellschaft m. b. H. in Köln, at present in liquidation. His shares of the aforesaid enterprises recruit from the capital invested by the firm of Gebr. Stollwerek with M. 50,000.-- and the Deutsche Automatengesellschaft Stollwerek & Co., with M. 112,800.-- for he is, as mentioned, partner of both last named firms. Stollwerek is proprietor of the house he lives in: Hardefuststr. 16. Up to date he met his obligations in regular manner, and he is described as a thoroughly honorable, respectable and ambitious (go-ahead) gentleman.

phon. - manifest

London

24th May, 1904.

J. R. Schermerhorn, Esq.,
Orange, New Jersey.

Dear Sir,

I have just had brought to my attention copies of 2 letters written the Orange office under date of May 19th as to mistakes made in the machine numbers entered on the invoice rendered this office, that is, that the machines actually received are in some cases not indicated, whereas the numbers mentioned as being shipped have not been received. This is very serious indeed, and you must take immediate steps to introduce a more complete method of checking the machines shipped here so that there will be no errors of this kind. If you will stop to think you will see what a bad effect this is going to be all round. If certain machines are shipped here, the numbers of which are not indicated on the invoice, then how are we going to trace them if such machines get out to dealers or jobbers? What I mean is this, supposing you ship machine as indicated on invoice No. 815, No. 159785 to the Chicago office - this particular invoice shows that it was shipped to London, whereas evidently the machine intended to be indicated on said invoice was No. 159705. Now, where did machine 159785 go to, and on the other hand where

was machine 259705 shipped to prior to the date of this letter
May 19th, 1904, assuming of course that both machines had been
shipped. If these two particular numbers cannot be made to indicate
what I am driving at, then take any two others of the same letter
and see what a number of errors can take place which might prove
eventually to our disadvantage. On the other hand supposing that
this same sort of thing is occurring in connection with machines going
to the Chicago office and in fact to anybody else. This is most im-
portant, and even if you have to put an additional clerk on who shall
do nothing but compare the shipping tickets, invoices, and machines,
it must be arranged at once.

I wish you would give this your immediate personal attention
and introduce a remedy at once. I want to discuss this with you
when I get back.

Very truly yours,
NATIONAL PHONOGRAPH COMPANY,

President.

W.E.G./L.D.

Phon. - Mamm.

London

24th May, 1904.

J. R. Schermerhorn, Esq.,
National Phonograph Co.,
Orange, New Jersey.

Dear Sir,

I am in receipt of your 2 letters of May 3rd and May 13th.

We shall require a large number of phonographs for the European market, but I don't want you to let up on the production for one minute. Of course the record situation is another thing and conditions must govern as to this up.

I am glad to see that you have received orders for a total of 600 slot machines.

Walter Miller has arrived and will get right down to work.

I am very sorry to hear that the ebonite which you ordered is not satisfactory. I have sent a transcript of this portion of your letter to Riehl, and I have instructed Walter Miller to discuss this thing fully with Mr. Riehl and endeavour to find out the source of supply and so forth. Miller has some samples of materials with him, and this will no doubt aid Riehl materially in his investigations.

I have also quoted that part of your letter having reference to the apparatus for Berlin and Brussels, and have told him to take

this matter up direct with Mr. Weber.

I cabled you yesterday that I would sail on June 4th on the "Campania". I sent this to the New York office but I assume that they telephoned to you.

Extremely sorry to hear that the business generally is declining in the States, but I don't see that I can say very much about it. There is no doubt in my mind that the issuance of the circular letter as to the change in price, dated May 16th, will have anything but a good effect, but as you say we have to meet this condition sooner or later, and therefore the sooner the better.

I have received Mr. Weber's letter on the record situation, and it goes without saying that we should go ahead with the new plant with the present record, making such improvements as we can and continue the experiments on the cotton record to see if we can produce something that will be commercial.

I note that the accounts payable will run about \$66,000, but what with the money that is being sent you from here right along and what you take in on that side you should be able to swing this all right. This never worries me. It is the Laboratory end that I am afraid of.

Wilson wrote me regarding taking on additional jobbers. The position assumed by you is entirely correct. I will prefer that any new jobbers be fully acquainted with the changes that are about to take place, as of course we don't want to mislead them in any way.

Regarding the Douglas situation, I don't see but what this will have to await my return. I will be coming along very soon after you

get this letter, and as Dalbeer has been unable to do anything with him it might be well to let the matter rest. However, I have written Dalbeer very fully.

I am glad to know that my new place in Prospect Street is looking so well. The fixing up of the building and so forth will have attention when I get back.

Very truly yours,
NATIONAL PHONOGRAPH COMPANY,

President.

W.E.G./L.D.

Record - Many.

24th May, 1904.

J. R. Schermerhorn, Esq.,
National Phonograph Co.,
Orange, New Jersey.

Dear Sir,

I cabled you to-day through the New York office as follows:-

"Rush Brussels two each all band and orchestra moulds you
"can spare".

I have had quite a conference this morning between Messrs. White, W.H. Miller & Riehl, and it has been decided that the Brussels plant cannot continue to run unless they have additional moulds from you, and I understand from Mr. Walter Miller that there are a great many moulds that can be spared which can be used here of bands and orchestras, that is, that you have more moulds than your requirements demand, and therefore you can spare at least two of each of them. Of course where you cannot spare two moulds of any certain piece there is no use sending any along, as to work to the best advantage they should have not less than two. I suppose that this will surprise you but as there is no doubt that eventually the plants here will produce records much cheaper than they are produced at Orange there is no reason why we should not have this advantage, and it will also enable Mr. White to obtain records very much more

promptly and thus enable him to fill his orders satisfactorily. Generally speaking it has heretofore been the case that this end has not been given an equal chance with the domestic end. I realize of course that looking at it from the American standpoint we have got to fill our orders promptly, but nevertheless when I look the situation over here the same rules would apply equally as well, and therefore we must put this end of the business in a position that they can take care of themselves. I realize further that we have always been very much hindered in that we could not furnish moulds to the plants over here, but now that the new method has been introduced we can no doubt arrange very soon to furnish the different European plants with moulds so that they can supply this market independent of Orange.

Very truly yours,

NATIONAL PHONOGRAPH CO.

President.

W.E.G./L.D.

24th May, 1904.

E. Riehl, Esq.,
58, Quai du Halage,
Brussels.

Dear Sir,

I give you below quotations from a letter I received dated May 3rd from Mr. Schermerhorn shewing trouble that they experienced with the new material called ebonite. Mr. Walter Miller has with him samples of this material and is able to discuss it quite fully with you. I have also quoted the cables that were sent from Berlin, the replies thereto and further data regarding shipments of lathes. I assume that you are taking this matter up direct with Mr. Weber and must leave it therefore for your attention:-

"I wrote you that I had made arrangements for 500,000 pounds of ebonite. I now regret to say that after writing you we received a lot of this material which was not up to the mark; a fog developed on the records. I immediately instructed Strommeyer & Arpe to cable cancellation of the shipping instructions, and also had Aylsworth call on them to the end of ascertaining as to what the material consisted of. They told him, or at least led him to understand, that it was a residue of a sort of bituminous coal and that in the recovering of this material benzine was used. Aylsworth is of the opinion that Benzine would cause the fogging, and he is now experimenting to the end of overcoming it. There is every indication that the producers have sent a somewhat inferior grade of material than was first supplied us, and possibly not been so careful in the recovery. Strommeyer & Arpe

Record - Manuf.

written the producers drawing their attention to the trouble, and likewise have sent them samples of the two lots which were different. Of course they may arrange to overcome the difficulty on the other side. I find upon investigation that this material is forwarded from the Port of Hamburg. One of the shipments which we received left there under date of April 3rd on the s.s. "Pretoria". Possibly by searching back from this point the producers might be discovered, thereby enabling us to make a better arrangement than we have made with Strohmeier & Arpe, or, in the event of that not being possible, it would at any rate enable us to communicate direct with them to the end of having them overcome the trouble last experienced."

"I duly received your cable Saturday from Berlin reading:

'Ask Weber how soon can ship eight lathes. If necessary
'can purchase lathes here. Ship one tank complete here.
'Answer Brussels".

To this I instructed Stevens to reply to Brussels as follows:-

'One lathe Berlin three Brussels next week's steamers;
'four additional Berlin week following. No extra tanks;
'suggest making of sheet iron there. Writing'.

From this I take it you will understand that during the present week we are shipping one lathe to Berlin and three to Brussels. The shipments are made in this manner in accordance with instructions previously received by Mr. Weber from Mr. Richl. Next week we can send forward four additional lathes, and inasmuch as your cablegram was sent from Berlin we assume that they are wanted in Berlin. As a matter of fact I understand from Mr. Weber that the equipment in each of the plants is as follows:-

| | |
|----------------|---|
| Paris | One tank; three lathes. |
| Brussels | Two tanks; six lathes) (including the 3 which go forward this week) |
| Berlin | One tank; three lathes (including the one shipped this week). |

Therefore, according to our understanding Paris is fully equipped; Brussels is, or will be, fully equipped upon the arrival of the three additional lathes, and Berlin will be fully equipped for one tank upon the arrival of the additional lathe. Of course more lathes will not be needed at Berlin until an additional tank is completed, at which time he would

need three more lathes there, and these lathes will be taken care of by our shipment of next week, leaving him one extra lathe at Berlin. As I telegraphed you, we have no extra tanks here, nor have we any aluminium from the tanks that can be made. Of course we might send one of the tanks that has been in use, but these are in a more or less bad condition and it would hardly be advisable to send a partly worn-out tank abroad. After talking this over with Mr. Weber and Mr. Dodd I cabled you as above regarding the tank. Mr. Dodd and Mr. Weber both state that a sheet iron tank would be much more durable than aluminium, besides being much cheaper. Mr. Weber advised me that Mr. Riehl had complete drawings over there and without doubt sheet iron tanks could be made as cheap, or even cheaper, in Berlin than in America, and you would save both time and shipping expenses. Mr. Weber is writing both you and Riehl fully on the subject."

This may conflict with Mr. Weber's letter to me of May 3rd, a copy of which was sent to you at Berlin and Brussels. In that case the only thing I can say is that you should write Mr. Weber on the subject.

Very truly yours,
NATIONAL PHONOGRAPH COMPANY,

President.

W.E.G./L.D.

Record - Many

26th May, 1904.

Jas. H. White, Esq.,
National Phonograph Co. Ltd.,
25, Clerkenwell Road,
E.C.

Dear Sir,

Regarding the situation in the Empire of Germany, and with particular reference to the agreement with Ludwig Stollwerck, a very full discussion was had between Messrs. Stollwerck, White, and myself yesterday.

As I have already advised Mr. Riehl and yourself all master records and moulds that are made in the Empire of Germany are to be made at the expense of this Company, and the fruits thereof are, therefore, to remain absolutely the property of this Company. Under no circumstances are you to manufacture master records or moulds for outside individuals or companies, unless you get the approval of some from Orange.

The selection of the repertoire is something that I must leave to you and Mr. Riehl to formulate, but of course it is distinctly understood that the suggestions of the various local managers, (as, for instance, Mr. Graf in Germany; Mr. Kaltenseker in France), should be considered for these respective countries, and the same rule ap-

plies in connection with any other agencies that may be established elsewhere. The selling end of the business, however, must not in any way interfere with the manufacturing end of the business, but any suggestions or instructions that they may have to give, assuming that you delegate to them the authority to make such suggestions or instructions, must be made direct to Mr. Riehl and not to any of his subordinates. Occasions may arise wherein it may be found necessary to suggest changes that will prove beneficial to all concerned, and the Company in particular, and it will not be possible to get at Mr. Riehl at the time and where it may be necessary that such suggestion or instructions may have to be made direct to the parties in charge making original records, and it goes without saying in this case due judgment should be used by all parties in interest to the end of producing the best results.

Regarding the output of the plant at Berlin it is the intention that the output of records required by Mr. Stollwerck in order to enable him to properly take care of the business shall be turned over to him as fast as produced, but to arrange for the transfer of such records to his own store-house, and he will also arrange to take care of such phonographs and other apparatus as he may order from us (Orange), placing them at his own risk in a store-house furnished at his own cost and expense. In other words Mr. Stollwerck must arrange to take off our hands the records that he will have ordered as fast as they are produced - these records of course to be delivered to him in cartons. In case Mr. Stollwerck should decide to have his store-house in Cologne then the goods should be

packed and shipped to him, free on board cars, Berlin. In case Mr. Stollwerck decides to have his plant at Berlin then these goods can be delivered to him in cartons on trays as it is obvious that it would not be necessary for us to pack these goods in our factory simply to have them unpacked in his factory again. There is a possibility that some other modification may be required as to this, but I am perfectly willing to leave it to you to arrange with him. This will, therefore, leave us in the position that the stock which will be on hand at our Berlin plant will be used in filling orders for countries other than the Empire of Germany. Of course so far as the stock to be carried by the Edison Gesellschaft is concerned this is something that you must arrange with Mr. Graf. My reason in setting forth the conditions absolutely are that the factory end is only interested in producing goods to go into the stock of Mr. Stollwerck to enable him to take care of orders in the German Empire, and in addition thereto to provide such stock for the Edison Gesellschaft or others to enable the Edison Gesellschaft as well as your other interests to be properly taken care of in countries other than the Empire of Germany.

I have advised Mr. Stollwerck that he should place any orders that he may require for records with you as our agent, but that he can place his orders for machines direct with us at Orange as of course these machines will be shipped direct to him.

Of course in writing this communication it is not my intention that the rules set down shall be absolutely rigid. Conditions may

change to such an extent as to warrant a change in the methods outlined above; in that case I am perfectly satisfied to leave the adjustment of such changes for Mr. Riehl and yourself to decide.

Yours very truly,

NATIONAL PHONOGRAPH COMPANY,

Vice-President.

W.E.G./L.D.

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison
MARK

Cable Code Used: A.L., A.S.C., COMMERCIAL,
LIBER'S, AND HUNTING'S.

Thomas A.
EDISON'S

Photographs,
Gold Moulded
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Rams and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.

25 Clerkenwell Road,

London, E.C.

FACTORIES:
Orange N. I.,
U.S.A.,
in
Berlin,
in
Paris,
in
Brussels.

31st May, 1904.

Mr. Walter Stevens,
National Phonograph Company,
83, Chambers Street,
New York.

Dear Sir,

Mr. White tells me that his customers in the British Isles and on the Continent still continue to receive circulars from the States, and I must of course assume that they come from your department. This is altogether wrong, inasmuch as the prices are generally on the American basis whereas the printed matter that is issued from this office to the British Isles particularly is set out in £. s. d., and of course there is a difference in the price of records. The only way in which this can be obviated is by your eliminating the names from your lists, transmitting a list of such names to the London office which they can in turn enter up here, and then forward circulars and so forth as fast as they are issued. There is a possibility that this may not entirely emanate in your department but it may be in McChesney's department, in that case the same rule would apply, and I would suggest that you send him a copy of this letter so that he can govern himself accordingly.

If you want to discuss this matter further you are of course
at liberty to hold it up until my return.

Yours very truly,
NATIONAL PHONOGRAPH COMPANY,

President.

W.E.G./L.D.

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison
MARK

Cable Codes Used: A., A.E.C. COMMERCIAL,
LIBER, AND HUNTING'S.

Thomas A.
EDISON'S

Photographs,
Gold Mounted
Records,
Projecting
Kinetoscopes,
Original Films,
History Fan
Motors,
Edison-Primary
Batteries,
Rains and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH GO. Ltd.
EDISON MANUFACTURING GO. Ltd.

25 Clerkenwell Road,

London, E.C.

FACTORIES:

Orange N. J.,
U.S.A.
Berlin
Paris
Brussels

2nd June, 1904.

E. Riehl, Esq.,
National Phonograph Company,
55, Quai du Halage,
Brussels.

Dear Sir,

In connection with the selection of artistes, the songs which they are to sing, duets, trios, quartettes, bands, orchestras and others, I want it clearly and distinctly understood that the selling departments must in all cases be consulted as to what is required. You of course understand that the Heads of the Selling Departments with their different branches, and particularly their close connection with the trade, are in a much better position to determine what is best to meet general as well as local conditions, so therefore it is my desire that in all cases you consult with the different Heads of the selling branches. At the present time, of course, it is Mr. White generally speaking; in Germany Mr. Graf, and in France Mr. Kaltenecker. In addition to the above the selling end of the business know more or less what particular pieces, whether vocal or instrumental, have the readiest sale, and they are therefore able to indicate to you what is the best to meet their customers' requirements. Then again the artistes that are the most

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison.
MARK

Cable Codes Used: A.L., A.B.C. COMMERCIAL,
LIEBK'S, AND HUNTING'S.

**Thomas A.
EDISON'S**

Photographs,
Gold Stencils
Records,
Projecting
Microscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.**

25 Clerkenwell Road,

London, E.C.

FACTORIES:

Orange N.J.,
U.S.A.
Berlin,
Paris,
St.
Brussels.

popular must of course be considered, and the selling end of the
business naturally gain the knowledge as to who are the most popular
artists from both the direct and indirect contact which they have
as to the tastes of the public.

I have written you THIS MORNING at that there will be no mis-
understanding and a copy of this letter has already been trans-
mitted to Messrs. White & Carter so that they will understand the
situation, and thus aid you in every possible way in obtaining the
very best as well as the most popular artists, and a repertoire
that will be added to none in their respective territories. It is
also Mr. White's intention to take up this matter fully with Mr.
Kaltenbach at the first favourable opportunity. I believe that
the above is absolutely in accordance with our understanding at the
conventions had in Brussels as well as here.

Yours very truly,

NATIONAL PHONOGRAPH COMPANY,

President.

W.S.C./L.D.

HOTEL JEFFERSON



ST. LOUIS.
UPHASE & BAYVIEW.

June 4th 1902

Dear Mr. Gilman

I understand that
you are leaving England today
and I hope have a good time
before you.

I am arranging to be in
New York on Wednesday June 15th

and hope to see you on Thursday
or Friday or on both days
if you wish, at the works.

I will be with you on
Thursday morning ^{16th inst} in any
event after you have got
your pile of mail through.

I had a conversation with
Mr. Syer on various matters,
and he having no copy of

Stollwieser's agreement, made
on from my copy for this
file. <sup>I did not mention Stollwieser's
name or business to Mr. Edison.</sup> He discussed a new

name for the Record and
Mr. Edison suggested "VACOL".

After he had discussed Vacuum
Gold Process. "Edison's

VACOL RECORDS"

would give us a new lease
of life on the goods being
that anyone can use "Gold
Moulded" - Having to advertise
something anyhow we may as

will advertise our own special
name. I will speak to you of
this again -

Edison Bell Co. have secured
agreements as you probably
know, so this is all settled
and the old matched agreements
are thereby covered with all
their instructions.

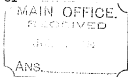
My next address will be
Holland House New York.

Kind regards

Yours faithfully

Ed. Crofton Mares

Phon. - Manuf.
Berlin N June 17th 1904
Chausseestrasse 81



" National Phonograph Company "

Orange and New-York.

Dear Sirs ,

second signed
Enclosed please find ~~the~~ copy of a letter which I have
addressed today to Mr. Jas H. White of London.

I am, dear Sirs,

yours very truly

Ludwig Sellwink

I hope that your Mr. Gilmore is
heftily arrived! -

The new Co. start - as I hope -
with very good prospects; the organi-
sation of your Co. & our German
experience combined must prove
successful! -

I'm only with that you show
full and early attention to all
my orders!

[ENCLOSURE]

Berlin N. June 17th 1904

Chausseestrasse 61

Jas. H. White , Esquire

"Agent of the National Phonograph Company"

L O N D O N . E . C .

Dear Sir ,

I herewith beg to confirm the letter of President Gilmore Esquire of May 27th, in which he appoints you as agent for the company and informing me that you that you shall give all my record orders to the German plant whilst you would send all orders for Phonographs or parts thereof to Orange.

Referring to clause 9 of my agreement with the National Phonograph Co.,made on June 9th 1903,of which I have already sent you a copy, and which runs as follows :

"Just as soon as Ludwig Stollwerck is adequately prepared to
"take up actively the sale of Edison Phonographs and Edison
"Records within the Empire of Germany, the National Phonograph
"Co. agrees to turn over to the said Ludwig Stollwerck all its
" business in the said territory, and will use every effort to
"to divert all such business to him, and will thereafter discon-
"tinue doing business direct in the territory aforesaid."

I herewith kindly request you to take note that yesterday that is on the 16th day of June I got registered the firm :

"Phonographen Gesellschaft für Deutschland m.b.H."

and that the publication of this registration will follow very shortly

This Company has a nominal capital of 1st 5000/ fullypaid in and its managing Directors are Mr. Charles Pathe of Cologne and Mr. Ernest Loewe of Berlin. Mr. Pathe has been for 15 years in my automatic slot business and you met him personally last year when you were in my home with Mr. Gilmore. Mr. Ernest Loewe is a wellknown person in the German Phono Trade and well acquainted with it. He speaks and

[ENCLOSURE]

2.

writes English.

While the chief office is at Cologen where I stay personally I have the intention to canvass the greater part of Germany from the Berlin office through Mr Loewe who stays Chausseestrasse 81. There he has his offices, show rooms and warehouse in which latter he presently can stock over 600.000 Records.

My new firm is prepared to begin doing business at once and I therefore will thank you if in conformity with clause 9 of my agreement you will advise Mr. Graf to turn over to my new firm all agreements made until now in Germany with jobbers and dealers, furthermore I am willing ,as already explained to you, to take over from the warehouse S&dufer

200 Gem Machines
100 Standard Machines
200 Home Machines
12 Triumph Machines

that is to say all those for which the duty for entrance in Germany is already paid, and at last I am willing to take over all Records which he has in stock from my orders I gave you namely :

Exhibits 1.2.3.4.

In conformity with clause 13 of my agreement with the National Phonograph Co., which runs as follows :

"This contract is made with Ludwig Stollwerck and is not transferable. This shall not prevent Mr. Ludwig Stollwerck from forming a Company for the working of this contract only Mr. Ludwig Stollwerck will remain the sole responsible party in his or his Company's dealings with the National Phonograph Co."

I herewith expressly declare that I remain responsible with you even for any transactions made and signed by both my managing

[ENCLOSURE]

3

Directors. Under this same my responsibility I authorize Mr Ernest
Loewe to take over Records after his discretion from the stock
held by Mr Graf this not referring to the big orders which always
will be signed by myself or by both my managers.

Copies of this letter I have forwarded to the American Head Office
and to Mr. Graf.

Awaiting the favor of an early supply I am, dear Sir,

Yours very truly

Ludwig Söllwisch

TRADE
MARK
Thomas A. Edison.

Record-manuf.

National Phonograph Company

Lidzfer 24/25.

Berlin N. June 20th 1904 1904

Thomas A.

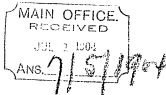
EDISON'S

Phonographs. Edison-Lalande Batteries.
Records. Gramophones.
Projecting Kinetoscopes. Surgical Lamps.
Original Films. Audionic Plans.
A. K. Adapters. Numbered.
Battery Van Motors. Machines.

Representative: Amt. N. N° 2891.

Telegram-Adresse:
Ediphon-Berlin.

W. E. Gilmore Esq.,
President,
Orange, N.J.



Dear Sir,

As suggested to you in London I have arranged a meeting of the Berlin press people in my office on Wednesday last. The attendance was excellent, over forty people being present, representing the principal-papers of the residence,

The beginning was set at 11 a.m. and as soon as the party was full

I conducted them to the factory, leading them through and explaining the various processes of manufacture of the moulded records. The explanation was taken with great interest and many questions were brought up, till after an hour's lecturing we sojourned to our improvised banquetting room, where every arrangement had been made for a substantial lunch. The room was nicely decorated and 5 large tables ready be used by more than 40 people. The food and wine and service had been furnished by a good caterer of this town and in order that there should be no want of good feeling and humour, each member of the party was provided with 2 bottles of good wine and Champaign. The party was very lively and animated and very much pleased with what had been shown them, and this was expressed in a number of eloquent speeches on the

TRADE
Mark
Thomas A. Edison.
MADE
IN
U.S.A.

National Phonograph Company

Thomas A. Edison
EPSON'S
Phonographs, Edison-Lalande Batteries,
Repeating Gramophones, Surgical Drills,
Projecting Kinetoscopes, Audionic Apparatus,
Orchestral Films, Automatic Meters,
X-Ray Apparatus, Numbering
Battery Rechargers, Machines.

Telegrapher: Amt II, No 2591.
Telegrams-Address:
Ediphon-Berlin.

- 2 -

Lidufra 24/25.

Berlin N. June 20th 1904¹⁰⁰

W.E. Gilmore Esq., Orange.

the genius and inventive fertility of Mr. Edison. Of course also the managing spirit of the whole arrangement of the day my humble self was not forgotten, and I must say, that this success which we had to register is ~~readily~~ found with such arrangements. After the dinner and the speechmaking was over I broke up the party at about 5 o'clock and drove with the number of the journalists, with Mr. Würth and foreman to a cafe garden in the neighborhood, where the evening was spent. The effect of this day was shown in the newspapers of the next and the following days. Articles on the "Latest" improvement of the Phonograph and about our factory appeared in every Berlin newspaper of importance. The articles were written in such a manner that they appeared like ordinary reading matter, not advertisements. They were placed in such favorable position that every newspaper-reader in Berlin has seen it, and wherever I came, people told me about these articles. ^{also} Of course Mr. Stollwerck has seen them. I did not meet him, owing to the fact that he has been ill for the last 8 days and confined to his room; however he congratulated me by a letter, on our successful introduction by the German press. I have been collecting a number of these articles which I am sending you under separate cover to get with the names of the papers publishing them.

The day previous I have been at a party, held in the histori-

TRADE
Mark
Thomas A Edison
MARK

National Phonograph Company

Thomas A. EDISON'S
Phonographs, Edison-Lalande Batteries,
Records, Gramophones,
Projecting Kinetoscopes, Surgical Lamps,
Original Films, Audionic Harp,
X-Ray Apparatus, Numbertone,
Battery Fan Motors, Machines

- 3 -

Lidifer 24/25

Gramophone - Amt II, No 2891
Telegramm-Adresse:
Ediphon-Berlin

Berlin N. June 20th 1904. 190

W.E. Gilmore Esq., O r a n g e s .

historical garden of the German Chancellor's Palace. ~~The~~ arrangement was patronized by her Excellency the Countess v. Bülow. The Emperor and the Kronprinz and a large number of noted people were present. My object was, if possible, to procure a record of the Kronprinz and the Emperor. If I have failed this time I have never-the-less come nearer to that point by having recorded the voices of other prominent people, very influential in these circles and sooner or later I hope to succeed in obtaining what I want. Among others there talked into the Phonograph Count Hohen-thal, Ambassador to Berlin of the King of Saxonia, Police-President von Borries and her Excellency the Countess von Posadowsky, ~~the~~ wife of the Secretary for Internal affairs. His Excellence Count von Posadowsky, I believe to be known in America through his recent visit there. These people delivered some very interesting speeches into the Phonograph, ~~transcribing~~ ~~transcribing~~ some topic of the day and I took care to get these speeches into the newspapers.

I am very satisfied with the effect of these 2 arrangements and I shall have reprints made of these articles which I shall mail to the Thousands of newspapers in the Provinces, and I have no doubt they will be copied by a large number of them in that way ~~to prove~~ ~~proved~~ to be a valuable advertisement.

With sincere regards to yourself and Mr. Edison, I beg to remain,
Yours very truly,

Thomas A. Edison

S. Croxson Marks
S.M.A.C.E.E.E.
Consulting Engineer & Patent Expert.

TELEGRAPHIC ADDRESS: DIFTEDNESS, LONDON.

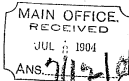
TELEPHONE NO. (LONDON 536, HOLBORN, BIRMINGHAM, 821, MANCHESTER, 4872.)

WARD AT 13, TEMPLE STREET, BIRMINGHAM.
30, CROSS STREET, MANCHESTER.

Phon. - Manning

18, Southampton Buildings,
Chancery Lane,
London.

June 29th 1904
P.M.



W. E. Gilmore, Esq.
Orange, N.J.

Dear Sir,

I have written to Mr. Graf telling him that I consider it better that he shall take all the orders he can as the Edison Gesellschaft's "schacht" from dealers, and himself supply the goods to them until such time as Stollwerck has got a visible stock that he has obtained from us from which he can execute such orders as the Edison Gesellschaft will send to him as a factor. The moment Stollwerck has a stock Mr. Graf will have to send him orders exactly as any other factor would and that will mean Stollwerck must order goods and pay for them; so that we shall be obliging him to put in some money.

I am instructing Mr. Graf not to send the agreements that he has to Stollwerck as there is nothing whatever in Stollwerck's contract to require that he shall be given these, he will send the orders direct to Stollwerck and then himself send to his own customers when received from Stollwerck and if Stollwerck cannot execute them promptly he will be breaking his contract.

I have written to Dr. Schneider upon this to get his confirmation of this policy and Mr. Squires also knows at this end that he is to send forward the orders from Stollwerck to you, and I should urge you to insist upon cash payments for these goods so that there may be no suggestion upon Stollwerck's part that we refused to supply him.

Yours faithfully,

S. Croxson Marks

W. E. BILMORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
BOOKBINDING & STATIONER.

NATIONAL PHONOGRAPH CO.

EDISON LABORATORY, ORANGE, N. J.

OFFICE AND SALESROOM.

IN REPLYING TO THIS LETTER

135 N. 7TH AVENUE,
ST. LOUIS, MISSOURI, U. S. A.

204

CHICAGO OFFICE, 177 W. WABASH AVENUE,
CHICAGO, ILL., U. S. A.

PLEASE MENTION THESE INITIALS.

Orange, N. J.

June 30, 1904.

Walter H. Miller, Esq.,

c/o Edison Gesellschaft m.b.h.,

24/25 Sud Ufer, Berlin, Germany.

Dear Sir:

I am in receipt of your letter of the 10th, and note that you succeeded in getting some fairly good records at Brussels. I regret to learn that you were not able to secure the same men to make your band records; this is somewhat surprising, but I suppose it is a condition that you will have to meet. I hope that the schooling you gave Milestone will prove valuable to him and that he will now be able to give us some good results at the Brussels end.

So far as the record plant at Brussels is concerned, I can only say that the rent was not very much and my recollection is that Riehl could not secure it except by taking it for six months, so that if we are able to use it all well and good; if not, we will of course have to pay the rent for the six months, which I believe was \$25.00 per month. Of course I realize that the music as a whole in Belgium can be made in Paris, as French is the principal language spoken throughout Belgium. This is something, however, that Mr. Riehl will learn all about and arrange his record taking accordingly. What Milestone should do, of course, is to get Flemish records in Belgium, as the lower classes speak this almost entirely. When he is through in Belgium you can

SHEET No. 2. DATE, 6/30/04. NATIONAL PHONOGRAPH CO. TO W. H. Miller.

of course arrange to send him either to England or France.

There is no question but that there will have to be considerable traveling about on the part of all the experts in the record taking department until we have a sufficient force to warrant locating them at a certain place permanently, and as you say, this will take time. We have got to make a beginning, however, and as I stated to you when I last saw you in London, we have got to get Frenchmen to make French records, Germans to make German records, etc. etc. You cannot expect to use Americans or Englishmen on the Continent who are not acquainted with the people or their methods, and principally their language; what you have got to get is some of the people themselves who are acquainted with the musical situation and know what is and what is not wanted and therefore can use a little judgment, and in the end we will secure the best results. You have got to build up the apparatus so as to make it absolutely thorough and complete in each and every installation being made there, or, what I might better style it is, each outfit ~~should~~ be complete and self-contained and should have sufficient of everything to make first-class records, and not be dependent on any other outfit or office to help them out. I hope that they will continue to improve the records to such an extent that they will be not only satisfactory to you but also to the public at large. Generally speaking, you want to put record makers in such shape that when you get back you can instruct them by correspondence fully, and the recording forces in the different countries want to be sufficient to take care of all requirements. Of course I do not want extra men standing around idle, but as I told you when I saw you last in London, for the present add some few additional people and then select the best of them and lay the others off. Even though those you discharge do learn something about record making and go elsewhere to obtain positions in the same line, this cannot hurt us to any extent. What I want you to do is to feel at liberty to do what you

SHEET No. 3, DATE 6/30/04, NATIONAL PHONOGRAPH CO. TO W. H. Miller.

think is best for the business. You may get into an argument with Mr. Riehl on the subject, but at the same time you want to stand on your own feet and impress upon him the necessity of getting first-class people and sufficient of them to do the work in the proper manner. I know that Mr. Riehl, when he does come to know this part of the business thoroughly, will have no people standing around, or will arrange it in such a way that when they are not busy making records their services can be utilized either in the manufacturing plant or in the selling end of the business.

I hope matters are progressing favorably and that your next letters will be as full and complete as the one you have written me. Of one thing I feel satisfied, and that is, now that you are there you will see that conditions are as bright, if not brighter, than they are here, and the other side has to be taken care of as well as it has been taken care of at this end of the line.

With kind regards, believe me to be,

Yours very truly,

WEG/IWW
JRS

President.

Phonograph-Record: *Logorn, Karl*
Manufacture



MAIN OFFICE,
219 E. 30th St.,
JUL 22 1904

Dear Mr Gilmore :-

ANS. 7/18/1904
Have returned to Brussels after three weeks in Berlin, and while there found very suitable rooms which were leased for 30⁰⁰ per month in a central part of the city. We recorded some very fine Sopranos & Tenor duets with Orchestra accomp. The Soprano being leading star of the Royal Opera, also tenor solos, quartettes & Bands, among the solos are a few songs by Karl Logorn who is one of the finest tenors I have ever heard. There is no doubt but that he is the coming Caruso, the records he made are exceptionally fine. We had considerable trouble with the bands, but the day before I left the results were satisfactory. We also secured two young men to learn record making for Berlin who have a fair knowledge of English and I am quite sure they will turn

out satisfactory, but it will be some time before I would advise leaving them to their own resources. As soon as I arrive in Paris I will look at some of the records which Reihl has got for me to select from & when I have them in shape to take records in, I will wire for Hayes to come to come to Paris & instruct him to bring one of the best of the ^{new} engaged there (Reihl) so that he may get still further experience. I also intend to get men in Paris who can speak English & French if possible. One of the worst things you have to contend with in making records here is to explain to the talent what you want. Graf has been the only interpreter that has given entire satisfaction. I have purchased records of the Columbia & Pathe for comparison and will say with out hesitation

they are not in it with what we have made, and do not wonder that the Phonograph made such poor ^{showing} there when you consider the quality of the records. Stillweich has open a show window in his place on Chausse St of Phono. goods consisting of a Home machine with its cover & horn and 6 records, on the plate glass window in gold letters is the signature of T. A. Edison. While Hayes & I were in Berlin we left Milestorie & Seymour here making records and have lectured to a number of them and found them very satisfactory. As soon as they have finished here they will go to London, and so far would think it best to leave them there, as I can not see the use of the Brussels plant at all, not with standing the fact that Mr Emmberg

has just been talking to me for
15 minutes how convenient it
would be if ^{we} would ever rent part
of his new building. Squires has
informed me that Hunting is very anxious
to take records for us, & thought he could
be engaged at a reasonable figure, I wrote
you I had no objections under certain conditions
but after further consideration I would
prefer to hold the matter up until I
can have a talk with you. I called
at the factory this A.M. & find Vanderveer is getting
along fine with the new way of moulding
masters for moulds, it certainly is the salvation
of the record business, under the conditions
we are working. Will leave here for Paris
July 1st & stop at Hotel Westminster & expect
to be though ~~in~~ between two & three weeks.
Will then go to London for a day or so
and start for home not later than
Aug 3rd or else there will be trouble at
home. Remember me to John & Peter
and with kindest regards to yourself I am
Yours very truly
W.H. Miller

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison.
MARK

Phon. - Manuf.
Cable Codes Used: A.L., A.B.C., COMMERCIAL,
LIEBER'S, AND HUNTING'S.

**Thomas A.
EDISON'S**

Photographs,
Gold Moulded
Records,
Projecting
Kinetoscopes,
Original Films,
Burglar Fan
Machines,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

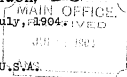
EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.**

25 Clerkenwell Road,

London, E.C.

19th July, 1904.



W. E. Gilmore, Esq.,
National Phonograph Company,
Orange, New Jersey, U.S.A.

FACTORIES:
Orange N. J.
U.S.A.
Paris
Brussels

Dear Mr. Gilmore,

After a very pleasant voyage I arrived at the office to-day and found your telegram of yesterday dated at Orange reading:-

"Randomly, London. Have just cabled Mordey no proposition to "make You have no instructions to act"

awaiting me. I have before me a copy of Mordey's letter of July 13th and also his cabled of July 12th addressed to yourself. Mr. Mordey has also called me on the telephone and was very anxious to see me personally. I shall of course see him but will simply advise him as to the details of the test to be made of his apparatus at Orange, and will also tell him that we do not see there is anything in the attachment for us, and that we have no instructions whatever to act for you.

I find a great many communications awaiting me here from Stollwerck, but shall not reply to any of them until after I have seen Mr. Marks who is absent in Manchester to-day. I enclose for your information letter from Stollwerck dated July 16th and also enclose for your attention an order dated July 11th. I have simply acknowledged this order of July 11th and stated that same has been

N. P. Co. Ltd.

forwarded to the National Phonograph Company of America.

I am unable to write you in detail as to how matters stand here
but will get a complete letter off to you the next post.

Very truly yours,

J. H. W.
European Sales Manager.

J.H.W./L.D.

[ENCLOSURE]

PHONOGRAPHEN-GESELLSCHAFT FÜR DEUTSCHLAND m. b. H.

Chausse-strasse 23,
BERLIN, N.

July 16th 1904.

Jas. H. White, Esq.,
Agent of the National Phonograph Co.,
London, E.C.

Dear Sir,

On first of June I gave you an order for 80000 Records which I increased by my orders of July 2nd and 11th for another 28000 records and by my order of 13th inst. for further 119000 records. Except these quantities I ordered June first 100,000 Christmas songs.

I have the intention to repeat my last order for 119,000 records for each months of September, October, November and December.

My first order from June 1st is not yet executed nor have I received the invoice, and even Mr. Graf as stated by him to-day has not received that part of the order the moulds of which are here in Berlin.

Who is responsible for this delay? Why for my losses? I am unable to give you these new orders before all matters are settled! and I lose the season's sale! Who is responsible for this loss of traffic?

I hope to receive your invoice as soon as possible as according to my agreement the National Phonograph Company of which you have

[ENCLOSURE]

been appointed agent has to support me in any possible way.

I profit of the opportunity to advise you the visits of my two directors of the new Company "Phonographen Gesellschaft für Deutschland m.b.H. to speak verbally about the state of affairs and the future.

I still beg to send you copy received of Mr. G. Croydon Marks and my answer to it.

Yours very truly,
(Signed) LUDWIG STOLLWERCK.

I am ill and sorry not being able to come personally!
In which position am I? Office, show room, warehouse - staff - and no single machine or records.

Outlook and organisation with heavy expenses for a large business!

Telegrams & Cables: "RANDOMLY, LONDON."

Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison
MARK

Cable Codes Used: A.L., A.R.C. COMMERCIAL,
LIEBER'S, AND HUNTING'S.

**Thomas A.
EDISON'S**

Phonographs,
Grand Mottoid
Records,
Projecting
Kinetoscopes,
Original Films,
Entire Film
Motes,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH GO. Ltd.
EDISON MANUFACTURING GO. Ltd.**

25 Clerkenwell Road,

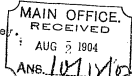
London, E.C.

FACTORIES:

Orange N. J.,
U.S.A.
Berlin.
Paris.
Brussels.

26th July, 1904.

W. E. Gilmore, Esq.,
National Phonograph Company,
Orange, New Jersey.



Dear Sir,

Concerning the working of Russian territory I enclose you here-
with letter dated June 26th written by Mr. H. Peterson. I have had
an interview with this gentleman to-day in the presence of Walter
Miller. I talked with him for a considerable length of time in
reference to the Russian situation. I got his ideas as to the
possibilities of that territory and I will say that he seems to be
a very intelligent man indeed, and I believe he will prove valuable
to us. He is a Swede by birth and obtained his education in his
native city, Stockholm. He presents a very favourable appearance
indeed, being extremely neat and of good address. He informs me
that he speaks German and French perfectly and that although he
speaks Russian with an accent he is able to converse in Russian
fluently and that he also writes and reads the Russian language.
I have thought so well of the result of the interview that I have
asked him to write me a letter setting forth his ideas and stating
the terms on which he would be willing to go to Russia to establish

N. P. Co. Ltd.

our business in that territory, and as this, of course, is all to be subject to your approval I shall forward the letter to you immediately same is received, and hope after due consideration you will then give me a reply stating your views of the matter. I particularly wanted Mr. Miller to be present at the interview so that he could transmit verbally to you his ideas and impression of the man. Of course there is no great rush in this matter, but on the other hand I believe we should make a start in Russia as soon as possible. I am of the opinion that the war between Russia and Japan will not interfere with our plans to any great extent. In fact from all enquiries that I have made I am of the belief that the war is not interfering with European commerce. On the other hand I believe the situation with the industries which embody amusement, is favourable. In fact it seems to be the history of all countries that the public patronise industries of our kind even more freely in war times than they do in times of peace, therefore I see nothing in connection with the war which should prevent our going ahead.

Walter Miller will arrive in Orange about the time you receive this letter, and would suggest that you talk the matter over with him. You will doubtless have my second letter on the subject in a day or two after you receive this in which I will enclose Mr. Peterson's proposition.

Very truly yours,

Josiah White
European Sales Manager.

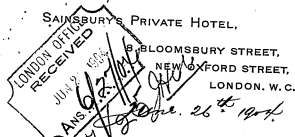
J.H.W./L.D.

[ENCLOSURE]

being a large, increasing &
I believe very profitable busi-
ness in Russia & it seems
to me, that there would be
room for another Co. in this
line in that country.

I do not know whether you
have already gone into the
Russian trade, but should you
desire to take it up, or develop
it, I should be glad to offer
you my services.

I know Russia thoroughly,
speak Russian (beside French
& German) & have many valuable
business connections in that
country.



To the Managers
of the National Photo. Co.
25, Chancery Lane

M. Gilmore
I am indebted to Messrs.
Seabrook of this city for your
address & it is with reference
to the Russian market, that
I take the liberty of writing
you.
The Gramophone Co. Ltd. is

[ENCLOSURE]

The Russian market, well
organized, would no doubt,
offer you a very large
& profitable business. I
want however to point out
right here, that I am not
in a position to finance
such an undertaking, but
would furnish undeniable
proofs as to my integrity
& business-capabilities, &
could undertake to find you
I shall name as buyers
& to take interest in the business.

Should you like to go into
the matter, I shall be glad
to have an interview & explain

Yours truly,
Vald. Petrusson

POSTAL TELEGRAPH-CABLE COMPANY

IN CONNECTION WITH

Phon. in - Mar. 1900
THE COMMERCIAL CABLE COMPANY.



ALBERT B. CHANDLER, President.
J. O. STEVENS, Secy. W. H. BAKER, V. P. & G. M.

JOHN W. HACKETT, President.
ALBERT BECK, Secy. GEO. G. WARD, V. P. & G. M.



CABLEGRAM.

The Postal Telegraph-Cable Company transmits and delivers this cablegram subject to the terms and conditions printed on the back of this blank.

| | | | | |
|--|----------------------------|------------------------|-------|--|
| NO. <u>20</u> | SENT BY <u>W. H. BAKER</u> | RECEIVED BY <u>152</u> | CHECK | Received at <u>Via a press</u> (WHERE ANY REPLY SHOULD BE SENT.) <u>July 20, 1900</u> |
| From <u>Wilmore Pure National Phone Co</u> | | | | <u>20 MAIN ST., ORANGE, N. J.</u> TELEPHONE, 200. |

I find Stallworks relations with you in a pretty mess it seems to me you either want to work with him or you don't but think ought to be settled before still more expenses are incurred if you want the connection you should give him your entire support and do the right thing and in that case you may consider this cable as a positive order

Please Reply by 11:30 AM

No inquiry respecting this message can be attended to without the production of this paper. Repetitions of doubtful words should be obtained through the Company's offices, and not by DIRECT application to the sender.

THE POSTAL COMPANY'S SYSTEM REACHES ALL IMPORTANT POINTS IN THE UNITED STATES AND BRITISH AMERICA, AND IN COMMERCIAL CABLES, ALL THE WORLD.

POSTAL TELEGRAPH-CABLE COMPANY

IN CONNECTION WITH

THE COMMERCIAL CABLE COMPANY.



ALBERT B. CHANDLER, President.
J. O. STEVENS, Secy. W. H. BAKER, V. P. & G. M.

JOHN W. HACKETT, President.
ALBERT BECK, Secy. GEO. G. WARD, V. P. & G. M.



CABLEGRAM.

The Postal Telegraph-Cable Company transmits and delivers this cablegram subject to the terms and conditions printed on the back of this blank.

| | | | | |
|--------|---------|-------------|-------|--|
| NUMBER | SENT BY | RECEIVED BY | CHECK | Received at |
| | | | | (WHERE ANY REPLY SHOULD BE SENT.) |
| From | | | | <u>20 MAIN ST., ORANGE, N. J.</u> TELEPHONE, 200. |
| To | | | | <u>190</u> |

of fifty Percent more records of current account than you have had here during the past twelve months but is Edison and yourself would rather be released from your bargain Stallwork will cancel your contract readily and without lawyers interference charging the less the expense account cable me here (Pure Stallwork) what you decide to do and if you accept the first alternative let us consider it as a matter of honour between man and man, Valkmann

No inquiry respecting this message can be attended to without the production of this paper. Repetitions of doubtful words should be obtained through the Company's offices, and not by DIRECT application to the sender.

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Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLEBORN.

TRADE
Thomas A Edison.

Phon. - Manuf.
Cable Code Used: A.L. A.B.C. COMMERCIAL.
LIEBKE & HERTING'S.

Thomas A.
EDISON'S

Phonographs,
Gold Moulded
Records,
Perfecting,
Kinetoscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Roto and Edison Automatic Hand
Numbering Machines.

MARK
EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.
25 Clerkenwell Road,

FACTORIES:
Orange N. J.,
U.S.A.
Berlin,
Paris,
Brussels.

London, E.C. Aug. 6th 1904

MAIN OFFICE
RECEIVED
AUG 15 1904
ANS. 8/15/1904

W. E. GILMORE, President,
NATIONAL PHONOGRAPH COMPANY,
ORANGE N.J.

Dear Sir:-

I have just returned from Berlin where I have seen the long cablegram which you sent to Mr. Marks, and I was also present when he formulated the reply to you.

I note Stollwerck's suggestions that the contract be cancelled with the understanding that you reimburse him for the expenses he has been put to, and at the time Mr. Marks cabled you, I thought he should have made it clear that you should only consider expenses which Stollwerck has incurred in connection with the present contract. In my estimation these expenses would be very small, as so far as I can learn he has done very little towards perfecting an organization, and as to his so-called show-room in Berlin, I have personally visited this, and find that it consists of a very small window, about 4 feet wide by 2 feet deep, which window is part and parcel of his chocolate ware-house, and so far as I can see, there is no other space whatever set apart for the handling of phonographs and records. I am having a photo made of this so-called show-room, and will forward same to you as soon as I receive it from Berlin.

I thought I would give you this information in advance,

N. P. Co. Ltd.

/s/ W. E. GILMORE, President, Orange.

however, so that you will not regard the matter of Stollwerck's expenses too seriously.

I hear that Stollwerck is quite ill; this doubtless explains why Vollmann has taken up the correspondence.

Yours very truly

James G. White
MANAGING DIRECTOR

JHW/30

[FROM LUDWIG A. STOLLWERCK]

TELEGRAMME:
THOMEDIS BERLIN.
ADRESSE:
AMT II, No. 1389.
77

SCHUTZ-MARKE
Thomas A. Edison

Phon. - Manuf
GIRO-CONTO:
BEI DER BANK FÜR HANDEL
UND INDUSTRIE, BERLIN W.
77

PHONOGRAPHEN-GESELLSCHAFT FÜR DEUTSCHLAND M. B. H.
ORIGINAL EDISON-PHONOGRAPHEN. ORIGINAL EDISON-GOLDGUSS-WALZEN.
FABRIKEN: ORANGE, BERLIN, PARIS, BRÜSSEL

MAILED
1904
BERLIN

Gilmore
BERLIN N.
CHAUSSEES-STRASSE 81.

St. Blasien (Blackforest)
August 8th 1904

Dear Mr. Edison!

I was ill for six weeks, according doctor's advice was obliged to go to this healthy place instead going to Orange to clear up any misunderstandings personally - arisen between Mr Gilmore and myself. -

Also long cables are a bad substitute. -

Wired you according enclosed copy.

It was agreed last autumn when Mr and Mrs Hayes were one day in Cologne, and Mr Gilmore two days in Cologne, - that before beginning the Phono business on a large scale in great dimensions : the repertoire in German selections : band, orchestra, songs, - ought to be increased and improved. I showed to both Gentlemen that every evening we have in Cologne 7 good military concerts - that every town in Germany above 100000 inhabitants its own Opera! Therefore the public expects better class of music, - as America does. It was agreed that 500 new selections atonce to be made, - recording experts to be sent to Germany and I had made by a Professor of Music a repertoire of 500 of the most popular songs, musical pieces for Germany and sent it to Mr Graf Berlin.

About middle of March 1904 I received from Mr White the Schedules A & B according clause 2 of our agreement! to complete contract ! At the same time I received information, that Mr Gilmore comes again to Europe.

Just after his arrival I went on 28th April to Berlin - discussed all questions.

There were only 90 new records made instead of 500 Mr Gilmore showed me the fine Berlin moulding Department and asked although there were only 90 new selections made, if I am prepared to organise the sale according clause 9 of the agreement. I directly gave an affirmative answer, as indeed such expensive works ask food! I organised directly the business according my rich experience, gave the first order four weeks later on 1st June, and on 16th June the Company according clause 13 was registered before a Royal Prussian Notary.

All what is necessary for a big business was done; two managing Directors engaged; office and wholesale show room rented as rooms for 600000 records. This latter arrangement made according the plans and experience of Mr Graf the Berlin Manager. The Company called "Phonographen Gesellschaft für Deutschland" was founded by my brothers and myself. I made the declaration to the Capitalists of the old German Edison Phon Co (250000 £ capital) that while the new Company (the capital was signed alone by my brothers and myself) takes alone the risk, all benefit of the new business will go first in "Total" to pay the losses to the members of the old Company amounting to £ 120000. If that is paid my business honour is reestablished and I hoped to have some fruits personally after much excitement and work with the old Edison Co. - as I

renounced inspite of the losses on every salary or commission.

So is the position!

Have founded officially according an agreement with you a Company engaged two Directors and staff, rented offices etc, informed my former Phono friends :

and receive no goods '''' no declaration ! ''''

The causes of the disappointment of the old Edison Co were :

1) because this unlucky Moriarty asked fl 40 licence pro machine on which I paid fl 50000 on account

2) because the supreme court (Reichsgericht in Leipzig) declared for -Null- the most important Patents of the 19 I bought from you through Mr Moriarty! every one could now make and sell machines of fl 10 to 20. -----

I told you and Mr Hayes and Mr Gilmore that only if I can make a big business in Germany the Phono business would interest me. I am no agent, being not satisfied with a success of only fl 5 - 10000. Will place fl 50000 and more in future according developement of business into stock and credits ' any capital necessary. Will advertise on big scale - as my firm counts to the largest advertisers in Germany.

' I all told you this and made you the remark that a three years contract is very short, as I ought to have also in future the fruits of such work. You then answered in presence of my friend and partner Mr Volkmann :

" Have had bad experience with long contracts - but if you have success I give you my word of honour, that I will not cancel but prolong the contract."

I believe I was always sincere and open to Mr Gilmore and fear that third persons made informations to him - which made this situation - unworthy to my position and business reputation .

The contract of June 9th is clear; no lawyer necessary to point out duties and rights again.

But without yours and Mr Gilmore's support - I will not take the business in hand! as promised by you. I will not take advice from lawyers!

Will speak with you and Mr Gilmore about the cancellation of the contract! if you and Mr Gilmore will not respect the contract.

I still hope you will, after misunderstandings are cleared up! - The question is for me such one of Moral Business - Honour - and Ambition.

I promise you every success -but only with a hearty cooperation with Mr Gilmore and his staff.

I promised my friends the success of the name "Edison" in which they placed confidence and money 9 years ago - and I would be unlucky if you take me the opportunity to fulfill it! -

So -"Ich machte meinem Herzen Luft" (made free my Hearts thought"-

In old admiration of you and your inventions I am, dear Mr Edison,

yours very sincerely

Sept. 5th 1904.

Max Formula.

Typewritten copy
sent to E. Rich
as Business Sept 12/04
Done

Formula for making wax for moulded records,
using Bionite as a substitute for Bernambay wax.
Heat 41.9 lbs. Bionite in a suitable iron kettle,
over fire to 350° Fahr., then add 74.29 grams copper
in fine powder in the wet state, and stirring
constantly while it is foaming off.
Then add one hundred (100) lbs. stearic acid, when
this is melted and reaches 350° Fahr. commence
adding aluminate of soda solution that has
been previously prepared, adding a dipper
full at a time until the solution is all
fat in. The temperature of the wax should
be gradually raised while the solution is
being mixed in, when the last of the solution
is put in, the thermometer should register
480° Fahr. After again foaming off, add 7.377
lbs. Ceresin wax, when this is melted and mixed
in add 3.14 lbs. wood pitch previously prepared
as will be explained below. When the wax is
thoroughly foamed off the congealing point
should be brought down to 290° Fahr. by
adding stearic acid, then filtering through
a muslin filter it is ready for use.
The copper powder is prepared in the following
manner. Take 143.38 grams sulphate
copper dissolved in 500^{cc} of warm water, with
10^{cc} of sulphuric acid, add to this in small
quantities at a time 41.78 grams metallic zinc,

either thin sheet or in powder. If more convenient to get the sheet gone, it will answer equally as well as the powder, by cutting it in narrow strips and rolling up loosely before using it.

The zinc when added to the copper solution displaces or precipitates the copper in a fine divided state, in bottom of vessel used, care should be taken that no more zinc is used than just enough to replace the copper in the solution. The precipitated copper should be washed in several changes of boiling hot water until all traces of zinc and acid are gone before using. The Aluminate of soda is made by dissolving 22.5 lbs. recrystallized sodium carbonate ($\text{Na}_2\text{CO}_3^{10\text{H}_2\text{O}}$) in a kettle heated by steam or over a fire with 4 gallons of water, and add 474.74 grams caustic soda (NaOH) best commercial article that can be obtained, 98% and 183.72 grams pure sheet Aluminium $\frac{3}{16}$ " thick cut in small pieces, when the metal is all dissolved, filter through canvas. The solution is ready now for making the wax. For preparing the pitch take a quantity of pine tar and boil it down to about one half its bulk or until it appears to have acquired a proper consistency, this can be seen by taking a small quantity in a cup and setting aside to cool, if quite hard on cooling it is ready for use.

Price of the different materials used.

| | | |
|----------------------|------|---------|
| Stearic Acid | .11 | per lb. |
| Gessin wat | .17 | 1/2 " " |
| Sodium Carbonate | .018 | " " |
| Caustic Soda | .05 | 1/2 " " |
| Aluminium | .42 | " " |
| Ebonite | .08 | 1/2 " " |
| Pure Sulphate Copper | .007 | " " |
| " Sulphuric Acid | .08 | " " |
| Pine Tar | .11 | " gal. |

Using material at the above prices the wax will cost ten and three quarter cents per pound.

W. A. Wood.

J. W. Wainwright.

[ATTACHMENT]

#1

Mr. Riehl,

Dear Friend:

Your letter dated August twenty-second at hand and glad to hear from you. I have made up and delivered for shipment samples of all the different materials that make up our present record wax, also a sample of wax we are using to make our moulded master records of. I have also given Mr. Schermerhorn, Formula and instructions for your use, how to make our present wax using Ebonite. He wished me to give you all particulars wherein it acts differently from the old wax in moulding records. There is not a great difference between the working of the two, yet it might cause you quite a little trouble before overcoming them. One advantage of the new wax, the moulds kept clean much longer than with the old, consequently our records are much cleaner and brighter in appearance, oftentimes it is not necessary to clean the set of moulds more than twice a day, while with the old, the moulds have to be cleaned every four or five records. One of the troubles we had when we first used the new wax were rings, they were overcome by letting the cans drop a little slower, when we let the cans drop in five seconds we reduced the speed to seven, with the new wax you will also have to run the jackets a little warmer in extracting so that the moulds retain some of

Appointment
made by
Russell
Jans.
Sept. 12, 1924

[ATTACHMENT]

2

the heat before dipping, or you will get an uneven flow of wax in the mould, showing on the records in small spots as though air was included. The moulds going in the wax a little warmer it is necessary to leave them on the bench a little longer with the jacket it was dipped in before being trimmed, that is before the surplus wax is trimmed off each end, the dipper should have these on the bench all the time, that is four moulds should be dipped consecutively, not four dipped at once, and then all four trimmed as we have found some of our dippers do at times, but after the fourth mould is dipped and on the bench the first is ready to be trimmed, leaving the three without being trimmed until another one is taken out and one put in. The man, running, should keep his end up close, not more than one or two moulds on his bench at a time. Then another trouble we had was the wax not leaving the can as freely as with the old wax, that has been overcome through a new dipping can, which is made double, one can inside another with air space between, this new can is not altogether necessary as we have only two kettles equipped with new cans, the others using the old style. Now regarding master records made from mother moulds, we are using the regular dipping process, the only difference being, instead of using one of the regular moulders dipping kettles I set up a small circular kettle and mounted two dipping machines on top with small kettle along side holding five or six gallons of wax to supply the hot wax from.

[ATTACHMENT]

#3

We are having very good results; with four men we obtain from fifty to eighty good master records a day (ten hours work) sheet glass machine and thread tests. The process you referred to in your letter to Mr. Gilman is not a success as yet, so I would advise you to do as I have done, the way I use is same as sample referred to above. It is made according to the formula you have, using cornsua, with this exception, the lamp black is omitted and 2% more Cornsua added. I am sending with the samples of material, one of the new dipping cans with frame, so that you can see how it is constructed, it is quite necessary that the cans should be made of the different metals that this can is made up of. I thought it might be of interest to you, for me to explain how we obtain the best flow of wax in our moulding kettles, as I suppose it will not be long if you have not already had to take out some of your kettles for repair. Now the first thing to be done when a kettle is taken out of a furnace is to have the top plates leveled, as a great deal depends on this, then set the kettle in a wooden frame or crib that is perfectly level so that the kettle will be supported by the flange same as in position in furnace, then the partitions on each side running parallel with the sides of kettle should be leveled on an incline, the partitions on each side of kettle nearest to perpendicular shaft should be $\frac{1}{4}$ " higher than at opposite end of kettle running on a slant, the partitions on side of kettle where the wax comes up

[ATTACHMENT]

#4

should be $\frac{1}{8}$ " lower, running full length of kettle than on opposite side, where the wax crosses over, before going down through slot to circulator tube. On the side of the kettle that the wax flows through the slot to the circulator tube, eleven of the twelve cross partitions should have a piece of the metal cut out even with the partition running parallel with the side, and the side of the kettle, and about $2\frac{1}{2}$ " high, care being taken that there still remains metal on the partition above the wax to bolt it to the side of the kettle, this forms a trough from the partition next to circulator shaft to the far end of the kettle this aids very materially in carrying away the thick congealed wax. If these instructions are carried out each of the twelve pockets in the kettle will have a uniform flow of wax.

Hoping you will have no trouble in understanding the above instructions.

I remain yours respectfully -
W. R. Dodd

[ATTACHMENT]

Suggestions and instructions for
making records from mother moulds.

1. The regular dipping kettles are not used. A ninety gallon capacity kettle on which is mounted two regular dipping machines is employed.
2. Another kettle of about ten gallon capacity is placed along side the larger kettle for the purpose of replenishing the wax in the larger kettle, keeping just enough wax in the small kettle for immediate use.
3. Regular moulded record wax is used, with the following exception: Lamp black should be omitted and 2% more carnauba wax added. Please note that we are using the carnauba formula - not the abonite formula.
4. The temperature of wax in dipping kettle should be kept about 290° Fahr. or as near that temperature as possible, before starting to mould. Morning and noon the temperature of the wax should be raised to about 300° Fahr. and well stirred so as to break up and melt the congealed wax bringing the temperature down to 290° Fahr. before starting to mould records. The wax in the supplemental kettle

[ATTACHMENT]

should be run at a higher temperature, a fair average being about 310° Fahr.

5. The cur is supplied with 14 special moulds and 40 regular jackets. Before starting to mould, the moulds and jackets assembled should be heated to a temperature of about 98° to 100° Fahr., this temperature of course cannot be absolutely fixed: it is governed later by working conditions, as will hereafter be explained.
6. The moulds after being placed in the dipping machines should be dipped the same as the regular commercial record, the time of immersion being about two minutes, this includes the lowering of mould and time of immersion in wat.
7. After the first mould is dipped and taken from the dipping machine it is laid on the V block and another mould placed in dipping machine and lowered in the wat, then if the two minutes time has elapsed for the second dipping machine the mould is taken from it and placed on the table, and another mould placed in the machine and lowered in the wat. There should be one mould waiting on the table ^{to be immersed} at all times.

[ATTACHMENT]

8. The mould resting on V block is now taken out of jacket and trimmed, one to one and a quarter minutes should elapse from the time it is taken from the dipping machine until it is taken out of the jacket and trimmed, the jacket should be placed on the table until eight or ten accumulate and then placed in a tank of water which has a temperature of 88° to 90° Fahr. - so as to reduce the temperature of the jackets to the temperature required for extracting, as mentioned hereafter. Eight to ten jackets may be taken from the cooling tank at a time and wiped dry, placing them handy for the man extracting. After the mould is trimmed it is immediately reamed with first and last knives only to reaming machine, leaving the record with a solid bore instead of a ribbed bore. We are using a small hand reaming machine with one knife, thus the reaming is made with one operation.
10. After being reamed they are placed in cooling jackets which should have a temperature of 88° to 90° Fahr.

[ATTACHMENT]

11. After being placed in the cooling jacket it is put on the extracting machine and left until its own gravity forces it out. In other words this statement is not absolutely true, but it must not be forced. In other words, they are left on the extracting machine a little longer than is the case with the commercial record, so as to absolutely avoid scratching the records. Time consumed in trimming, reaming and extracting label records, about three minutes, one minute longer for moulds without the label. The water that circulates through the cores should have a temperature of about 104° Fahr.
12. After extracting, the records should be placed on the metal cores, being sure they bottom on the board holding cores. The cores should be warm, having a temperature of about 95° to 100° Fahr. They should be left on the cores about two hours before knocking off.
13. The moulds and jackets as left by extracting machine including interval before again being placed in dipping machine makes them of proper temperature for again dipping.

[ATTACHMENT]

these are from 4 to 6 moulds on slide a head of dipper most of the time. Time consumed from time mould is dipped until it is dipped again is about fifteen minutes for label moulds and sixteen minutes for plain moulds without the label, it takes about one minute longer to extract the record from the plain mould.

14. When the records appear streaked or dirty after extracting the mould should be washed in benzole and dried and polished with a soft chamois, and then placing the mould in a hot jacket for a few minutes to heat the mould before placing it in the jacket that was used to extract the record from it on extracting machine. The above instructions cover the ground in a general way. After having been left on the case two hours, they are then knocked off and go through an eye inspection also for out of round and off gauge. The records that stood this inspection are now left to stand until the following day, when they are given a similar inspection as well as a machine and thread test. This inspection is severe. The thread should gauge at or between the following limits at the different

[ATTACHMENT]

degrees of temperature as follows.

at 70° Fahr. $\frac{1}{4}$ thread short $\frac{1}{2}$ thread long.
" 80° " $\frac{1}{2}$ " " $\frac{3}{4}$ " "
" 90° " $\frac{1}{4}$ " " " " "

The records should be kept over night in a place at an even temperature preferably where it is intended to gauge them so that the records may have contracted properly to the temperature of the room.

We are using entirely new wax for manufacturing these records although it is not necessary as we have taken the same wax left in kettle at the end of the week and filtered it through a muslin filter and used it the following week not noticing any change in the making of the records other than the color which is much darker. The scrap wax such as trimmings and defective records are put back in the small melting kettle and remelted for supplying the larger kettle with, same as in our regular moulding process. By mixing lamp black with this wax it may be used for moulding our regular records.

Oct. 14th 1904

D. A. Dodd

[ATTACHMENT]

East Orange, N.J.
Oct. 19th 1904.

Mr. E. Riehl,

% National Phonograph Co.,
84 Rue Scheutveld,
Brussels, Belgium.

Dear Friend:

Your letter of September twenty-fourth received. We use the same formula for making the wax for regular blanks as is used for making the special blanks. We have enough special wax to take care of the blank business. The color of our regular blanks is due to long cooking in an iron kettle. We mix the wax from the regular wax with the special wax in the proportion of 3 of regular to 2 of the special. Since we have had cooler weather I have had to soften the wax for making the master records from the mother moulds as we had trouble from the records cracking while moulding, also Mr. Albert Wirth complained of the wax chipping when engraving the titles, making a rough edge to the letters. This trouble was overcome by adding 2% more cerin. Our percentage has been much better since we made this change in our formula. I neglected to say in last letter

[ATTACHMENT]

that the moulded master woods shank
inside on each end more than in the center
leaving a small ridge that is apt to make
the cylinder off gauge or out of round, this
we scrape out with a knife as soon
as they are taken from the press, while
the wax is still soft.

Respectfully

L. G. Dodd.

[FROM WILLIAM E. GILMORE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

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354 WABASH AVENUE, CHICAGO.

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BRUSSELS.

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THE INDIVIDUAL AND MENTION THESE INITIALS.

Orange, N. J. Sept. 14, 1904.

Thomas A. Edison, Esq.,
C/o Edison Portland Cement Co.,
Stewartsville, N. J.

Dear Mr. Edison:

Referring to the cable that I received from Mr. Marks, stating that he had a visit from Stollwerck's solicitor, who offered to settle for £7,000 and in addition to give us 556 of their old type machines, I received your telephone message reading:

"It would be all right even if we went to \$15,000.00; no machines."
(Signed) EDISON."

Immediately I received this telephone message I cabled Mr. Marks as follows:

"Willing to pay ten thousand dollars for cancellation contract. If unable close this basis, then will pay maximum fifteen thousand dollars. Will not accept machines at any price; they are obsolete type." and have confirmed same by letter. This for your information.

Yours very truly,

J. Crolydon Marks
MAKER
Consulting Engineer & Patent Expert.

TELEGRAPHIC ADDRESS: CITTENESS, LONDON.

TELEPHONE NOS. { LONDON E26, HOLBORN.
BIRMINGHAM, 606.
MANCHESTER, 4272.

FOUND AT
13, TEMPLE STREET, BIRMINGHAM.
30, CROSS STREET, MANCHESTER.

W. E. Gilmore, Esq.,

Orange, N.J., U. S. A.

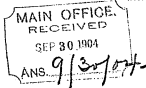
Dear Mr. Gilmore,

I cabled you from Cologne that I had settled with Stollwerck by paying him £8,000 cash down on my own personal cheque and undertaking to pay a further £8,000 at the end of January 1906, making £4,000 total to cancel the contract.

I do not want to weary you with the very long discussion that I had other than to say that it was one of the most difficult negotiations that I have ever had to conduct, and I think I have saved the Company some thousands of pounds in thus effecting the cancellation of a most unfortunate contract. I discussed everything with Stollwerck, and fought hard, driving points against his delay and against his method of doing business, while he on his part strenuously maintained that the late Mr. Hayes, Mrs. Hayes, and yourself when Mrs. Gilmore was with you had all agreed that it was desirable to have a greater number of German selections, and had acquiesced in his not vigorously pushing the business until these new selections were made. Notwithstanding this discussion of course I did not for one moment admit any point against us, but combat~~ed~~ it vigorously until I know that he thought that I was the villain of the piece

18. Southampton Buildings,
Chancery Lane.

London, 21st. September 1904.



G. E. M. W. E. Gilmore, Esq.

Page 2

Inasmuch as he actually said there was no trouble until I came on the scene, and that you and Mr. Edison were perfectly prepared to let him have his contract and go on with the trade in Germany.

He wanted £7,800, and actually produced books and other documents to show the heavy sums that he had spent, and harped upon the old losses of his original shareholders who had put down over £20,000 on the German Phonograph business. He told me that he wanted to get the money to pay back these shareholders, and not one penny would he have until they were paid back in full, and that also any money that I paid him to cancel the contract would go to them. The sum that I arrived at I found out would be less than half of the money that Stollwerck would get even if he were limited to 5 per cent. on the factors' orders that the Edison Gesellschaft sent him for the remaining 27 months of the contract, for I can tell you, Mr. Gilmore, that the German trade can be worked up into an immense one.

When I was with Stollwerck I saw that if I did not settle then there would be litigation, as he pretty plainly told me that he intended to stop the Edison Gesellschaft from trading, and that the publicity that would result would be very unpleasant for all concerned in the Edison Phonograph business. I challenged him at last to say yes or no to my offer of £2,000 cash down and £2,000 at the end of January 1906 with an immediate cancellation of the contract and no further claim against anybody. He scoffed at this offer at first, and I was on the point of leaving him as I told him I was certain that if I cabled to America you would wire me back not

G. C. M. W. E. Gilmore, Esq.

Pages _____

to pay such a high sum. He at last told me to dictate the letter, which I did, and a copy of which I enclose, that he duly signed, and acknowledged receipt of my personal cheque.

When I got back to London yesterday I hoped to find the money from you to meet the £2,000, and also a further £600 that I had asked towards my general account, as I scarcely expected to find that I had balance enough to meet such a heavy sum as naturally I do not care to keep so large a sum idle in a bank getting no interest thereon. When therefore your cable came to hand with no money I was in an unfortunate position and my banker's sent me word that the cheque had reached them, and that they must honour it. They did so, and the money has been paid over to Mr. Stollwerck's account.

I have had a visit today from the solicitor of Mr. Stollwerck in London, and he suggests that Mr. Stollwerck would be disposed to discount the bill that you sent so as to let the money that is paid be divided up at once amongst those of his old shareholders, but I told him I did not think there was much hope of this as I had already paid considerably more than my clients in America thought there was any occasion to pay. I should suggest to you if you agree about paying cash down that you discount it at the rate of about 10 per cent. per annum, and thus make an offer of about £1750 cash instead of the £2,000 later, but this, of course, is absolutely a matter at your own option, and the call was quite gratuitous on the part of the solicitor.

I was considerably worried yesterday in the matter of not having your wire, as I felt that I had not quite pleased you, and I

G. C. M. W. E. Gilmore, Esq.

Page 4

on my part realised that it was a very serious position that we were placed in.

I have since had your cable, and the cheque will duly be paid into my bank, I understand, today from Parr's.

Yours faithfully,

G. Croghan Mackes

[ENCLOSURE]

C O P Y.

Cologne, September 19th 1904.

Ludwig Stollwerck, Esq.,

C o l o g n e.

Dear Sir,

I hereby undertake to pay to you the sum of £4000.- (four thousand pounds) for the cancellation of the contract entered into by you on the 9th of June 1903 with the National Phonograph Company of America.

In consideration of the cancellation of this contract you will undertake not to use the name or trade mark "Thomas A. Edison" yourself or to be associated with others who will use it and you transfer to me unreservedly the whole of your rights and interests in the said agreement of the 9th June 1903 and you undertake to make no claim of any kind against the National Phonograph Company or others in respect to such agreement on the cancellation thereof and I on my part undertake that no claim shall be made against you by the National Phonograph Company or others in respect to such cancellation of agreement. The sum of £4,000.- is to be paid as follows:-

£3000.- by my check on your accepting this agreement and signing this letter.
£1000.- at the end of January 1906.

and I hereby undertake to give you the bond or acceptance of the National Phonograph Company and on Mr. T. A. Edison for the due observance and payment of the two thousand pounds at the end of January 1906.

Yours faithfully-
(Sgd) G. DRYDON MARKS.

Agreed & accepted
(Sgd) Ludwig Stollwerck.

Cheque for two thousand pounds received
(Sgd) Ludwig Stollwerck.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

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THE INDIVIDUAL AND MENTION THESE INITIALS.

Orange, N. J. Sept. 30, 1904.

C O P Y.

G. Croydon Marks, Esq.,
London, England.

Dear Mr. Marks: I am in receipt of your letter of Sept. 21st, setting forth fully the conference had with Mr. Stollwerck and the settlement made with him, and also enclosing copy of the agreement dated Sept. 19th. After discussing the matter fully with Mr. Edison I cabled you as follows to-day:

"Letter twenty-first received. Edison appreciate and congratulate you on settlement made. If you can close second payment of two thousand pounds for seventeen hundred and fifty pounds payment October fifteenth, if Randolph cannot advance amount will cable money from here."

My opinion of Mr. Stollwerck is only borne out from what you say in your letter, and particularly that part of it reading:

"While he (Stollwerck) on his part strenuously maintained that the late Mr. Hayes, Mrs. Hayes and yourself when Mrs. Gilmore was with you had all agreed that it was desirable to have a great number of German selections, etc. etc."

The idea of Mr. Stollwerck bringing in the ladies. They had nothing to do with it, knew nothing of the circumstances; but it shows the small calibre of the man. However, I do not think it is necessary to comment any further on this. Mr. Edison and myself, as I have stated in my cable, not only congratulate you, but fully appreciate the very difficult position in which you were placed in endeavoring to effect a cancellation of this very onerous contract; when I say onerous, I mean to myself, for if I ever took a violent dislike to a man as a business man it was to Ludwig Stollwerck. He may be able to sell chocolate, but when it comes to taking up our line, I am perfectly satisfied that he would not do the business. The only way that he would do the business would be that the business would do itself; that is, we would produce the goods and they would sell themselves, and he would receive emoluments to which he was only entitled due to the very bad contract made with him by Mr. Edison personally and to which, as you know, I was absolutely opposed. However, I shall not dwell on this, as it is now ancient history.

I am very sorry indeed that the money did not reach you as

promptly as it should. The fact of the matter is that I was simply staggered when I got your cable from Cologne, and not being certain as to your figures, immediately cabled you to London, thinking, of course, that I would have ample time upon the receipt of your second message to cable you the money, although I immediately went to work to arrange for its transfer by cable; but I must admit that I should have sent the money first and cabled afterwards. I can only ask you to accept my apology, therefore, for the dilatoriness.

Now if you can arrange for the second payment to be made at £1750 in cash, to be paid by October 25th, go ahead and do so. If Mr. White cannot provide the money, then cable me immediately and I will arrange to cable it to you in ample time.

Another reason why I was somewhat delayed in this matter was that Mr. Edison was at the Cement plant at Stewartville, N.J., and it takes some time to get a message through to him and an answer back.

However, in conclusion, let me again congratulate you on the very successful issue, and I know that Mr. Edison appreciates fully the efforts you have made in his, as well as our behalf. I presume that you will arrange all matters in such a way that this contract will be entirely wiped out, the contract itself returned and a full release had from Mr. Ludwig Stollwerck of Cologne, Germany, one of the Great and only Chocolate Manufacturers of the world, also former director of the Sunlight Soap and one hundred and one other connections of a similar nature. I remember his telling me of the vast business interests that he represented, but the only two that I recall at the moment are those above mentioned. I am glad that we are all well out of it.

With kindest regards to your good self and hoping that your health is of the best, although I have learned indirectly that you have been having a bad spell at your Summer home, believe me to be,

Yours very truly,

President.

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 3050, HOLBORN.

TRADE
Thomas A. Edison.

Cable Codes Used: A.L., A.B.E., COMMERCIAL,
LIEBKE, AND HUNTING'S.

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Gold Moulded
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Rates and Edison Automatic Hand
Numbering Machines.

MARK
EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH Co. Ltd.
EDISON MANUFACTURING Co. Ltd.

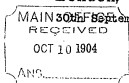
25 Clerkenwell Road,

London, E.C.

FACTORIES:

Orange N.J.,
U.S.A.
Paris
Paris
Brussels

W. E. Gilmore, Esq.,
Orange, New Jersey.



Dear Sir,

I enclose herewith copy of a letter which I have to-day mailed to Mr. Riehl at Brussels. I think you will find this letter to be quite self-explanatory. For your further information, however, I wish to say that I consider the condition of affairs as they stand in France to be very serious indeed, and the trouble is that Mr. Riehl does not seem to realise just how serious the situation is. I enclose herewith copies of letter which Mr. Riehl has written to me and to Mr. Squire, giving reasons why selections cannot be turned out faster. This of course is all very interesting but looking at it from our standpoint I cannot see that it improves matters so far as the selling end of the business is concerned. At the time we began operations in Paris I understood from Mr. Riehl that they could mould new selections for us as fast as they were turned out, but in this they appear to have fallen down woefully. As you will see by reading copy of letter to Mr. Riehl the moulding of 8 new selections out of 160, which have been turned out since July 15th, is not a very good showing, and while I fully understand that they

N. P. Co. Ltd.

may have their troubles I do not believe that these troubles are so great but what they can be overcome. At any rate what we want to know is whether or not they are going to be able to take care of us for the coming season; if not, I do not feel justified in continuing the heavy expenditure in Paris either in connection with the selling end or record-making operations, and I should not feel that I was guarding your interests or the interests of the European end of the business if I continued under the present circumstances. I wish, therefore, to clearly state that I am extremely dissatisfied with the condition of affairs, and I wish to make it very clear that I am protesting most vigorously against what appears to me to be a great lack of progress on the part of the Continental moulding plants, and I sincerely hope that you will take such steps as will ensure a better service. I do not hesitate to say that while I am not competent to comment on the reasons for these delays I fully believe that the condition of affairs can be improved if a sufficient amount of energy is displayed.

I shall be writing to yourself and Mr. Walter Miller under separate cover regarding the record-making situation as I see it, as I believe this is a matter that requires considerable more attention than it has had since Mr. Miller's departure for America.

Yours very truly,


Managing Director.

J.H.W./L.D.

P.S. I enclose you herewith copy of letter received from Mr. Kaltenecker dated September 28th and also copies of Mr. Kaltenecker's letters to Mr. Riehl of the 28th instant which were written in French and which translation we have prepared for you.

On second thoughts I also enclose copy of letter written by

N. P. Co. Ltd.

Van der Wee to Mr. Squire on the subject of production of the Brussels plant, and enclosed also you will find copies of Squire's reply to both Van der Wee and Riehl. In connection with this I will say that Mr. Squire is watching the matter of production from the Continental plants, and in fact will give it his personal attention during the rushed season here, and for this reason I am sending these communications along so that you will be familiar with what steps are being taken.

I would further call your attention to the conflicting information conveyed in the letters of Messrs. Riehl & Van der Wee addressed to Mr Squire. I will make further comments on this in another letter.

[ENCLOSURE]

30th September, 1904.

M. Riehl, Esq.,
55, Quai du Halage,
Brussels.

Dear Sir,

I beg to advise that I have recently returned from a trip to Paris, and I find that conditions there are anything but satisfactory so far as the listing of new records by the Sales Department is concerned. I have gone into this matter quite fully with Mr. Kaltenecker, and I find that the French recording plant has turned out upwards of 160 new selections since July, whereas up to the time of my visit they had only been able to list 8 new selections, and according to advice this for the reason that your plants have been unable to turn out any more moulds. I have no doubt whatever that there are reasons why you cannot turn out moulds faster, but on the other hand I hope you will fully realise the seriousness of the situation. I will say, however, for your information that the expenses of our sales organisation in France are very heavy, and we are doing very little business at the present moment, the chief reason being that we are unable to offer the trade any new selections or at least so few new selections that they scarcely count, and

[ENCLOSURE]

I will say that I cannot allow this condition of affairs to go on and unless we can have assurances that new selections will be turned out more rapidly I shall feel it my duty to practically suspend operations in France so far as the selling end is concerned, or at least arrange to cut down expenses as I feel sure that unless you and I can make a very marked improvement during the next few weeks we shall be unable to capture the Christmas business. I will, furthermore, state that during my observations in Paris I learned through numerous dealers and other reliable sources that the firm of Pathé are very unpopular with the dealer through France, for the reason that they are opening their own retail depots and thus antagonising the small shop-keepers. This information has been further confirmed by a letter from Mr. Kaltenecker dated September 28th, in which he advises me that dealers are more than anxious to be in our line if we can only give them new goods. Under the circumstances I consider it my duty to report this condition fully to the Home office, and I am addressing a letter to Mr. Gilmore on the subject to-day giving him a full report on my visit to Paris and in fact acquainting him with the entire situation as I find it.

I might further state that I have seen your letter to Mr. Squire received here yesterday in which you give the reason for delay in making moulds under the new system. I have no doubt you are experiencing considerable trouble, but this information does not in any way help the selling end of the business as we must have results or we cannot hope to very much improve the standing of our selling organisation in France this year.

I feel sure you will realise the very serious condition of

[ENCLOSURE]

affairs and that I will have more encouraging news from you in the very near future.

Very truly yours,

Managing Director.

J.H.W./L.D.

[ENCLOSURE]

C O P Y.

30th September, 1904.

E. Riehl, Esq.,
55, Quai du Halage;
Brussels.

Dear Sir,

I have before me your favour of the 28th instant giving general information on the manufacture of records and so forth. You state that you can ship a minimum quantity of records from Brussels of 30,000 per week; Paris, 15,000 per week, and Berlin 15,000 per week. Of course the production of the Paris and Berlin plants do not, generally speaking, concern us as no English selections are made there.

As to the Brussels output which you compute as 30,000 per week; if this quantity is the minimum what is the maximum? It doesn't particularly interest us how few you can turn out, what we want to know is how many you can turn out. I presume, however, that you have used the word "minimum" by mistake instead of "maximum".

As to the list of records that I gave you in a previous communication which we wish to include in the No. 11 supplement, and your advice to the effect that the masters have not been received, would say that Mr. Van der Wee addressed us a letter bearing the same date as yours wherein he acknowledges that these records have been received. It appears, therefore, that you were not in pos-

[ENCLOSURE]

session of true information on this subject at the time of your writing. I have acknowledged receipt of the list sent in by Mr. Van der Wee and enclose you herewith carbon copy of my letter to him which is self-explanatory.

Now, as regards the formalities which must be gone through in order to get a perfect mould of a selection, we are perfectly familiar with this process and we do not expect to receive moulded records immediately after masters are sent you, for we know that there must be some delay, but what we wish to impress is the importance of having the work of making the moulds done as expeditiously as possible, so that there will be no unnecessary delay in receiving records made from such moulds. As I stated in a letter I wrote you a few days ago, the indications are that we are going to do a much larger business this season than ever before, and inasmuch as we must look to the Brussels plant for a good percentage of our records it behoves you and Mr. Van der Wee to do all you can towards getting an increased output and having the records shipped to us promptly.

In regard to the stock of German selections that you have on hand, we believe you have more room to carry these than Mr. Graf has, therefore we do not think it would be prudent to ship these to Graf unless he wants them. I presume he has knowledge of what your stock is, but if not I think it would be a good idea if you would mail him a list at once so that in case he can use any of the records he will send orders in without delay.

With respect to our being supplied with a list of moulds discarded by all the plants, we should like such a list as soon as

[ENCLOSURE]

soon as possible, and we presume you have arranged to obtain this information by corresponding with the different plants. Of course Mr. Graf and Mr. Kaltsnecker should be notified direct should you discard moulds of any selections that would affect their catalogue.

I note that a number of cases have been shipped from Orange which you presume contain masters of American selections, and we are glad to know that you will keep us thoroughly posted on the delivery of such masters. We are particularly interested in this as we are already being subject to delays in getting records from America, and it will be very gratifying when we get in position so that you can furnish us from the Brussels plant American records listed on the late supplements. The bulk of our business is done on new numbers, and if we can get them promptly it will be of very material assistance to us in caring for our trade.

Very truly yours,

Assistant Manager.

C.C.S./L.D.

W. E. SHORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

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(Personal)

J. F. Randolph
Oct. 14, 1904.

James H. White, Esq., Managing Director,

National Phonograph Co., Ltd.,

London, England.

Dear Sir:

Although Mr. Buehler has been back something like two weeks, I have been unable to talk over matters generally with him until within the last day or two, principally due to the fact that he had considerable work of his own to attend to when he got back and I have been so extremely busy that I have had no time to give to him.

He brought with him the trial balances and general information as to the condition of affairs in London as made up from the books to August 31st, 1904, or in other words, the first six months of the fiscal year. I have looked over the General Expense statement which he brought with him (of which I understand you have a copy there) and we have taken out the following items, or such portion of the items as presumably would be chargeable to us. I do not say that the amounts I now indicate are our proportion, but I have taken this, after looking it over with Mr. Buehler, and endeavored to deduct as much as possible so as to bring down the expense to what we consider it would be. Therefore these amounts are reduced as follows:

| | |
|---------------------|--------|
| Legal Account, | £ 398 |
| Freight & Express, | £ 500 |
| Paris Sales Office, | £ 1867 |
| Experimental, | £ 916 |
| Total, | £ 3681 |

leaving the net General Expense for the six months £6895, or, on the basis of \$4.80 to the pound, \$33,096.00, an average of \$6,616.00 per month. Now this seems to me to be very high indeed, considering the amount of business that has been done during the same period, and it seems to me that you should make it a point to go into all the items most carefully; or, if you have not the time to do so, you should give Squire particular instructions to go into it most carefully to see if this General Expense cannot be reduced very materially. I am not going to dispute with you any of the items. I realize that a great many of the items are fixed charges, and of course there is nothing that I have to suggest or say regarding them; but the grave question with me is, have we not had too many employees during the slow season? I know that you are going to utilize all of these employees during the Holiday season, but I want to impress upon you the necessity of reducing this force just as much as you can as soon after Jan. 1st, 1905, as possible.

Phon. - Manuf.

When you stop to think, as you will see from the General Ledger trial balances, that the gross profits during the six months were \$8319, or \$39,931.30, and against this you have General Expenses amounting to \$33,096.00, you must realize that this is out of all proportion to what it should be; in other words, there is a difference of exactly \$6,835.30 net. I am hoping, of course, that the present six months will bring this up materially, but you have a hard fight ahead of you.

I can only add that I wish you would make it your particular business to try and shut off expenses at every end; this not only applies to small expenses, but to large expenses as well, and the more small expenses you can have the better able you will be to take care of the larger expenses.

In looking over the Accounts Payable I notice that there is charged to you personally \$709/2/11. I understand from Mr. Buehler that this represents monies advanced to you from time to time, against which you had rendered no statements whatever of expenses up to the time that he left. Now you know perfectly well that you should not have practically \$3500.00 charged up against you in this way. It is out of all proportion and out of all reason. I never had such a thing happen to me in all the time that I have been connected with the Edison interests, so get out your books and make up your statements and get the other side of the ledger credited with some expenses so that this will even itself up.

We will now pass along to the Accounts Receivable.

H. APPELYARD, LOFTHOUSE & CO.- \$583/12/9. I understand from Mr. Buehler that this is an account that has been open since last April and that it represents goods furnished to them prior to April. Is there any good reason why this account should not be liquidated? I think Mr. Marks had something to do with the account, and if you are unable to get payment in the usual way I wish you would see Mr. Marks and ascertain from him what is the best course to pursue to the end of its being liquidated.

A. LOFTHOUSE & CO.- \$597/2/11. I understand that this Lofthouse is of the firm above mentioned, of Appleyard, Lofthouse & Co. Is this a good account and will you succeed in collecting it?

LEOPOLD MELLINGER - \$233/13/0. I understand from Mr. Buehler that this is the account which I agreed with Mr. Graf to settle up, he (Graf) paying one-half of the amount, the other one-half to be charged back to the National Phonograph Co., Orange, N. J., inasmuch as this transaction was something that took place long before the organization of the National Phonograph Co., Ltd. I further understand from Mr. Buehler that just prior to his leaving he arranged the account so that Mellinger was credited with the goods returned to the Edison Gesellschaft, the Edison Gesellschaft being charged with same, and as the account now stands on the books one-half of same should be charged forward to Orange and the other half should be billed to Graf; and it seems to me that it is about time that he paid for his end of it.

PHONOGRAPH SUPPLY CO.- \$5605/12/4. This equals upwards of \$27,000.00. Now, although there was an understanding that we should get this store open on Oxford Street, I have been expecting that we would have succeeded in getting them to reduce the amount somewhat. The account is altogether too high. They are either giving you a large dose of "hot air" or else there is something radically wrong. I wish you

would give this your immediate attention and see if you cannot succeed in reducing the account materially. They must be doing some business, and although we used it as an advertising scheme, they surely must have succeeded in getting in some money for sales they have made. If the Management is not proper, then I think it is about time that you arranged to put in another Manager who will look after the interests to a greater extent than seems to have been the case in the past.

RICHARDSONS. - £1466/19/04. It seems to me that this is rather high for this party. Possibly you may have reduced the account materially. Let me know as to this.

J. J. STOCKALL & SONS LIMITED. - £1824/3/5, or practically \$9,000.00. Do you consider that they are entitled to any such amount of credit. In connection with this Mr. Buehler tells me that in the settlement made by them in September, although the account was practically four months overdue, they deducted a cash discount of 2 1/2%, which you refused to allow them. Have you succeeded in making them pay up the full amount, or did you permit them to take off this 2 1/2%? I also understand that they take off, under the item of "allowance for breakage" and additional 2%. This must not be allowed hereafter. The goods that you ship them are sent over from your storehouse on Clerkenwell Road or shipped direct from Brussels to them, and we cannot permit, nor do we permit, any further allowance of this kind here. It is arbitrary in every sense of the word and they are simply "milking" us, as I am fully satisfied that they do not have any such breakage as 2% of the net amount of records that are shipped to them.

SEYMOUR LONDON STORES. - £1191/3/5. I understand from Mr. Buehler that this was reduced £300 during September, which would make it £891/3/5. Have you succeeded in getting this account closed up? I further understand that you are again giving them open account. The fact that the capital was practically withdrawn from this concern and the further fact that it was made into a corporation convinces me that they are getting ready to have a final failure, and you want to look out that you do not get caught in the maelstrom. You have always had more or less trouble with this concern. They were the source of the supply to Gamage, to say nothing of a great many other dealers who intended to cut prices, and I think it is about time that you dropped them entirely as factors. Now it does not make any difference how much business they do, that is, if they are inclined not to do business in a legitimate way and in accordance with the agreement which they signed, I would prefer that the account be closed and that we discontinue all further business with them. In my commercial experience I have often found it necessary to discontinue business relations with certain individuals or firms as I found it did the general business good to do so. I shall not mention any names; but you know that in the past I have had some very large accounts that I closed absolutely for the reason that the business methods pursued by such individuals or corporations were somewhat nefarious, and the conclusion was reached after careful consideration, and in every case we found that it was very beneficial to the business, to say nothing of the anxiety and worry that was avoided by pursuing such a course. Let me hear from you fully as to this.

L. T. TANDY. - £38/2/9. I presume that our old "friend" Tandy has got into us for this amount. I must say that I am as much to blame for it as anybody else. However, I would like to know if there is any possibility of your collecting this. I also notice that Tandy & Vincent owe us £19/11/9; is this in the same category?

BROWN BROS. & CO. Mr. Buehler tells me that they have been in the habit of taking off one half-penny per record, claiming that this was the price at which they had heretofore purchased the goods from America and therefore they were entitled to the same consideration from the London office. This is altogether wrong. In the first place, we accept agreements from all jobbers whereby we undertake to charge out records at one and the same price to all of them. Now by what right can we give this half-penny to Brown Bros.? We are selling our goods in London in English money, and the fact that Brown Bros. or any other concern purchased them originally from America on an American money basis has nothing to do with the case. You must take a firm stand with them and tell them that they will have to buy the goods at 10 d. the same as anybody else. If they refuse, there is nothing for you to do but close the account. You cannot "make fish of one concern and flesh of another". Supposing that some of your other factors should learn of this, what would be the effect? I will further illustrate this as follows: Assuming that they buy 100 records in the old way from America, they cost them at that time 20 cents each, or \$20.00 per 100. If the exchange was \$4.86 it would equal 24/2/0; if the exchange was \$4.87 it would equal 24/2/2; if the exchange was \$4.88 it would equal 24/2/4; whereas, buying them from you at 9 1/2 d. each they would only pay you 23/10/2. Now they are simply taking advantage of you, and the only thing for you to do is to put your foot down and tell them that they cannot get any more records from you (and this applies to orders already on file from them) at less than 10 d. each.

We will now look at it from your standpoint.

| | | |
|--|-------------------|----------------|
| 100 records delivered to you in London cost the National Ltd.-- | \$17.00 | |
| Adding only 10% for your General Expense, which, according to figures mentioned in the first part of this letter is a very low estimate, makes-- | <u>1.70</u> | |
| Total, | \$18.70. | |
| Figuring exchange at \$4.80, this equals | | £3/17/11. |
| You are selling the goods to Brown Bros. at 9 1/2 d. each, or per 100, | £3/19/2 | |
| In addition to this they take off 2 1/2% for cash, or per 100 records, | £0/2/6 | |
| Less 5% for advertising, | <u>£0/2/8 1/2</u> | |
| Total per 100, | £0/3/8 | |
| On the above basis this puts the records in to them per 100 at | | <u>£3/15/6</u> |
| You are therefore selling the goods to them at a loss per 100 of | | £0/2/6. |

Of course we cannot stand this, and the only way I can see out of it is as above outlined, that they pay you the same as any other

jobber pays you, at the rate of 10 d. per record.

Now on the general subject of the 5% allowance for advertising, are you satisfied that you are getting good returns for this investment? Our experience here is proving to the contrary and we are eliminating it just as fast as we can all the way around. The principal reason is that we found our jobbers in putting in advertisement would advertise other types of machines in the same advertisement, whereas there was a distinct understanding originally that such advertising was to cover Edison goods exclusively. We were hampered so much, however, that we finally decided to withdraw this 5% concession. You had better look into it there, and if you can do so gracefully, withdraw it all around. If you decide to withdraw on any of them you must withdraw on all just as fast as you can, but diplomatically. I realize, of course, that in some few cases jobbers may have contracted ahead. You must insist upon seeing the contracts, and if you find that they are correct in their statements, then carry it out up to such period, but decline to do anything of the kind thereafter.

I wish you would have made up and send to me copies of any and all credit memorandums that have been issued since Sept. 1st, and please give instructions to your Accounting Department to forward to our Accounting Department here copies of all credit memorandums that may be issued in future, or, should any allowances be made through the Cash Book where credit memorandums are not necessarily issued, I should like to have sent me a transcript of all such allowances.

Going back again to the subject of cash discount, I am afraid that your people are entirely too easy in making allowances for cash discount. The 2 1/2% cash discount was originally intended to cover invoices paid within ten days from the date of same. It would seem, however, that this fact is entirely overlooked and in some cases this discount has been allowed after an account has run 60 days. Now this is not at all correct. Why should one jobber be favored to the detriment of another? If, on the other hand, your other jobbers find you are allowing this cash discount on a longer period than ten days they will expect you to give them the same extension, and the first thing you know it will become a farce pure and simple. I do not want to make the rule so rigid that it will be irksome to you, but at the same time we must draw the line somewhere. The very best that is allowed here is that invoices of the previous month must be paid on or before the 10th of the following month to enable the jobbers to get the advantage of the 2% allowance which we make. In other cases we allow jobbers to make payments twice a month, that is, on the 15th and 30th, but the greatest time given is in the case of large corporations, to whom we grant the privilege of making payment of the entire month's purchases with the 2% deduction if such payment is made on or before the 10th of the following month. You should make your rules likewise. If there is a good reason why you cannot do so, write me on it and we will try to arrange this so that it will be to the mutual advantage of all concerned.

You will remember that I had quite a long talk with you as to getting Mr. Marks to meet with you at least once a month so as to go over matters generally. I realize that a Director of the company he should know what is going on. I realize that we must pay him for this work, but I feel sure that he can give you some good advice, in that where you are unable to decide absolutely as to what course you should pursue in connection with any matters he can no doubt assist you materially. If,

therefore, you have not heretofore arranged for a meeting of the Directors at least once a month I wish you would make it a point to see Mr. Marks and then arrange for a meeting to take place at Clerkenwell Road, where any and all matters in dispute can be taken up and discussed fully. Personally, I have a great deal of respect for Mr. Marks' opinion, both legally and from a commercial standpoint, and were I in the position that you hold I should not hesitate to call upon him for advice on many commercial matters. I realize, of course, that he is a very busy man, but nevertheless, I am perfectly satisfied that he could arrange his time in such a way as to be able to give you one half day at least once a month to discuss and settle difficult questions that may arise and must arise in connection with the various interests that you represent not only in London, but Berlin, Paris, Brussels and elsewhere as well.

In conclusion, I do not wish you to be offended at anything that I have written in this letter. I am writing you in the same old frank way and for the good of the general cause. You want to stop and think every once in a while that the immense quantity of goods going over there represents a great deal of money. The figures I have before me show that the total consignment accounts of the London, Berlin and Paris selling organizations amount to \$433,559.50. I trust, therefore, that you will consider this letter very carefully, taking up the different matters that I have brought up serenitim and write me very fully in relation thereto.

Yours very truly,

WEG/IWW

President.

P. S.

In connection with the reports that you have been sending me weekly, showing business done in London, I wish you would give instructions to Mr. Graf in Berlin and to Mr. Kaltenecker in Paris to make up and send me similar reports. I understand that Mr. Graf has been sending these to you weekly, so simply give him instructions to send me a copy of such report; and I would suggest that you send to Mr. Kaltenecker a blank form made up complete with fictitious figures and ask him to arrange to forward such report, one copy to you and one to me weekly; and I would also suggest that these reports include, as I have already written you, a statement of the number of machines that they have in stock.

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

Edison, T.A. - Name - Nec
TRADE
Thomas A Edison.

Only Cables Used: A.A. A.B.C. COMMERCIAL,
LIEBKE, AND HUNTING'S.

**THOMAS A.
EDISON'S**

MARK
EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH Co. Ltd.
EDISON MANUFACTURING Co. Ltd.

25 Clerkenwell Road,

London, E.C.

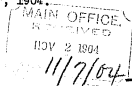
FACTORIES:

Orange N. J.
U.S.A. ✓
 ✓
Berlin ✓
Paris ✓
Brussels ✓

Photographs,
Gold Moulded
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Notes,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

25th October, 1904.

W. E. Gilmore, Esq.,
Orange, New Jersey.



Dear Sir,

I have recently received copies of the "Newark Evening News" and "New York Sun" giving an account of a suit which you are pressing against Thomas A. Edison, Junr. Chemical Company of New York, and that the United States Postal Authorities have refused to grant this Company further use of the mails. I very much wish you would send me any further particulars of this matter that you may have at hand, as I find a great many people on this side of the water are interested in same. I believe some of these electro chemical or magnetic cure-all fakes or whatever they call them have been sold on this side of the water. We frequently have to answer correspondence relating to this matter and it has occurred to me that it might be a good scheme to advertise the fact generally that Mr. Edison himself has no connection whatever with this concern.

Very truly yours,

J.H.W./L.D.

J.H. White
Managing Director.

57/12/04

Telegrams & Cables: "RANDOMLY, LONDON."

Telephone No. 5050, HOLBORN.

**Thomas A.
EDISON'S**

Photographs,
Gold Moulded
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Risks and Edison Automatic Hand
Numbering Machines.

TRADE
Thomas A. Edison.
MARK

EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH GO. Ltd.
EDISON MANUFACTURING GO. Ltd.**

25 Clerkenwell Road,

London, E.C.

PERSONAL.

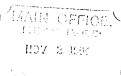
25th October, 1904.

W. E. Gilmore, Esq.,
Orange, New Jersey.

Phon. - Manuf.
Cable Codes Used: A.S., A.B., COMMERCIAL,
LIERNE, and HUNTING'S.

FACTORIES:

Orange N.J.
U.S.A.
Berlin.
Paris.
Brussels.



Dear Mr. Gilmore,

Your very kind favour of October 14th has just come to hand having particular reference to the matter of open accounts and general expense. I shall be unable to reply to the letter in detail to-day as I cannot get sufficient information together to enable me to give you a complete answer in time to catch the post.

Referring to the matter of open accounts, however, I will take them in the order in which they are given by you and beg to advise as follows:-

H. Appleyard Lofthouse & Co. - We have received £250 on this account this week, and I am endeavouring to get it closed up as soon as possible. I have conferred with Mr. Marks on this regularly and everything possible is being done to get expeditious liquidation. I hope to be able to write you shortly that the account is entirely closed.

A. Lofthouse & Co. is a new concern which took over the business of H. Appleyard Lofthouse & Co. who we hold responsible for both accounts. Both myself and Mr. Marks are satisfied that the account is entirely safe, but they are very slow payers. In fact a friend of Mr. Marks, a Mr. Thomas Hird, has guaranteed the account.

Neopold Mellinger : I beg to advise you that Mr. Graf has remitted us the money in part payment of the Mellinger account, and we will now charge the bill part over to Orange and you will receive bill during this month.

Richardsons, Manchester : This account has now been greatly reduced, and they owe us at the present time only £1060, and is an account I consider absolutely safe.

N. F. Co. Ltd.

J. J. Stockall & Sons. Ltd. - This concern have now settled their account up-to-date, and only owe us for purchases made during last Month. I have not permitted them to have the 2½ per cent on their old account. As to the 2 per cent allowance which we have made this concern for breakage I will say that it is the first I have learned of the fact that you do not allow breakage in America, and I know that at the time the Foreign Department was trading here with our customers in Great Britain a 2 per cent allowance was made to at least one of our customers, Messrs. Brown Bros, and if you had discontinued this practice in America I certainly would have been glad had you advised me of the fact.

Symonds' London Store : This account, as I have previously written you, has been settled in full, and we are now selling them goods on an absolutely cash basis, and will continue so to do.

L. T. Tandy : This is our old friend Tandy as you have suggested, and we issued a writ about one week ago in the endeavour to press the collection of this account, and I believe we will succeed in covering it.

Regarding the Phone Supply and Messrs. Brown Bros. account I will write you under a separate cover.

I am very glad to say that we have not up-to-date lost any money on open accounts at this office, and I sincerely hope we shall not do so. I want you to feel that all the care possible is being exercised as regards to open accounts.

With reference to conferring with Mr. Marks you may be sure that this is done regularly once a month and sometimes twice a month.

In reference to your closing paragraph you may rest assured that your remarks are accepted by me exactly in the spirit in which I feel they are given, and that they are not in any way offensive. As a matter of fact I appreciate very fully your writing me in such a perfectly frank manner, and you may be sure that I will take every question up carefully and give you a complete reply by the next post.

Very sincerely yours,

J. H. White

Managing Director.

J.H.W./L.D.

J. Croydon Marks
S.A.S.C.A. M.A.S.A.
Consulting Engineer & Patent Expert.

TELEGRAPHIC ADDRESS: SIFTEENESS, LONDON.

TELEPHONE NOS. { LONDON 826, HOLBORN.
BIRMINGHAM, 888.
MANCHESTER, 4272.

15, TEMPLE STREET, BIRMINGHAM.
30, CROSS STREET, MANCHESTER.

PRIVATE.

48, Southampton Buildings,
Chancery Lane,
London, November 2nd, 1905.

W. E. Gilmore, Esq.
Orange, N.J.

RECORDED
12/17/05 - 11/19/05

Dear Sir,

I have your's of the 19th ult. enclosing copy of your's of Oct. 14th addressed to Mr. White. While I can quite appreciate all that you say and had perhaps anticipated that you would someday make such a suggestion, I am afraid that my position has not been as comfortable a one to me as I would have liked, because although being nominally a director and thus responsible in a measure I was not concerned in that which affected the commercial or business portion of the undertaking although I was perfectly certain that in such a business conference with others would have been an advantage. While that was the case I did not want to push my suggestions but I may say that I have had repeated interviews with Mr. White and also with Mr. Squires and Mr. Lemoine but it has not been always satisfactory for me to come in upon what might be termed the rough end of the business when probably an earlier conference would have made things easier for us all.

My impression is that the business over here could be much more successful than it is provided methodical and systematic meetings were held for determining upon all vital questions of policy or commercial matters.

I consider that a board meeting should be held once every month and this would last some hours; at this board meeting there should be presented:- 1st. a statement showing all accounts due to the Company and from the Company and no cheques should be drawn except for current wages expenses other than at the board meeting. 2nd. a statement should be prepared showing the business done and also giving stock in hand and orders pending. 3rd. a list of all orders giving date when placed and showing when filled so that any complaint as to delay and any question of preference could be immediately dealt with. 4th. a salary statement showing the whole expenses of the staff together with a list of employees and their duties should be presented, and this could then be modified depending upon the orders and output. 5th. a list of proposed new records for future stock and proposals for engagement of artistes and others. 6th. a list of the records made together with the cost and the whole expenses connected with the recording department. 7th. advertising and

C. M.

W. H. Gilmore, Esq. 2/11/04.

Page 2

publicity matters. Sth. any important matters or disputes as to accounts between dealers, factors and others.

It may happen that the whole of these matters would not arise every month but they are such as in my opinion should be dealt with and be within the scope of the board meeting business.

I suggest that the first Thursday in every month should be set apart for this business the hour of meeting being 2.30 so as to enable the morning to be given to the commercial and ordinary work and leave the directors free to work as late as might be necessary for settling everything, this day would also be convenient for getting the report ready for the mail on the Saturday for America.

I have been connected with other companies and at our board meetings we always dealt with matters somewhat on the lines I have laid down.

You said quite frankly to Mr. White that you know I am a busy man, but my experience shows me that busy men manage to find most time for their work as they have to adopt some method. You know of course that I cannot go down there to those meetings and simply think about what has to be dealt with at that time and no other, as to be of any use I should have to frequently carry in my mind the interests of the company and be constantly having in view matters that I now have no time to enter into; I can only do this work by paying more for other assistance and I suggest therefore that if I am to do this business properly in the way I have outlined I must charge a fee of £20. (twenty pounds) per month for this service alone.

I do not by any means court this work as I can quite understand it will not always be pleasant and I shall have to be concerned in exercising authority and possibly coming into conflict with others occasionally with whom at present I have nothing ~~to do~~ ^{to do} the way of administration. ~~of the present~~

In the matter of the accounts you have mentioned in your letter, I know nothing whatever about them with the exception of Appleyard & Lofthouse, whom you ~~may~~ remember were two of the worst cutters in Manchester and whom I got together in partnership, the understanding being that we should allow them credit for a time in order that they might build up a business, at the same time by doing this took away from all our other factors and dealers the complaint they had against these people trading. At the end of the year we found that Appleyard was not a very satisfactory man in his methods and we gave each of them the opportunity of buying the other out. Lofthouse took the business and formed a limited company of it merging his old Jewellery

J.C.M.

W.E.Gilmore, Esq. 2/17/04.

Page 2

business with it and we thus got his jewellery as security in this business for the debts that were owing so that if the business develops as I think it may under Lofthouse's control we shall be all right, but in any event I consider that too much credit has been given to this man since the formation of the company and I will look into this at our first meeting.

With regard to some of the other accounts it is the very first I have heard of them and I am simply amazed at the credit that has been given and consider that pretty vigorous methods should be adopted towards reducing them, particularly with regard to the Oxford Street "Phonograph Supply Co". the shop is in the wrong position to start with and I am of opinion is not likely to do us very much good, however I will report to you fully after the board meeting.

I may say that as a Director I had been feeling somewhat uneasy over this matter as I knew there would be an occasion sometime or other for a conference on the business with a view to making the accounts up to suit the income tax authorities and also the Joint Stock Companies Office, and to do this very close attention is necessary on the part of the Directors.

Perhaps you will let me know definitely as to my proposals and terms before the date of any first meeting you may wish us to hold.

Yours faithfully,

G. Crockett Wares



THE FREDERICK HOTELS.
THE LONDON HOTEL

GENERAL MANAGER, LONDON.
SPECIAL DEPARTMENTS: CONTINENTAL
HOTEL, METROPOLITAN, ALBANY, ST. JAMES,
ST. MARK, MARLBOROUGH, BATHURST,
BANKERS HOTEL, BELLEVUE, BELLEVUE,
ST. JAMES, BELLEVUE, BELLEVUE.

TELEPHONE: ADMIRALTY, 2021, BELL, LONDON.
MANAGEMENT BY JOHN GERRARD.
"MAGAZINE" OF FISH GARDENS.
"MAGAZINE" OF FISH GARDENS.

Legal

RECEIVED
WALTER RUSSELL
RUSSELL SQUARE
LONDON, W.C.

Nov 16 1904

Handwritten signature

Dear Mr. Gilmour:
We reached here on Saturday, the 12th after a very pleasant passage, with bright warm weather, and came to this hotel as we met some Scotchmen people on the boat who were coming here. I found that both White and Sands were quite opposed to putting Gamage on a jobbers basis, as they felt that it would disturb their good relations with other jobbers.

I told them however that you thought Gamage ought to have jobbers terms, and that Gamage respected them, and I think so myself, as he is one of the largest men in the business. It was arranged that White named first in Gamage, as I thought the proportion ought to be in line with your own, commercial rather than legal. White said Gamage yesterday (Sunday) and found him apparently confident but willing to accept any proposition that met his views, but suggested none. He said he wanted the matter settled legal, and as White could not discuss the legal points the interview closed. The situation now in brief is this:
(a) Gamage pretends to be indifferant, whether the case is settled

or not, but is confident he will win.
(b) I think his position is a hard
cliff, and that he intends to sign
the agreement but is haggling off
for the best terms.

(c) He has signed agreements with
the Kodaks, Gramophones and Russell
Carpet Sweeper people, so that signing
our agreement cannot be any
surrender of principle.

(d) His supply is cut off, the Christmas
trade is coming on, and he can't get
goods except with great difficulty.

(e) He found today that a dealer
in Manchester had recently bought
some of our goods for Gannox on com-
mission. That would make Gannox
an accessory, and he can be used as
a department for breach of contract.
Hards has gone to Manchester to
look up this matter, and returns
tomorrow, and if the facts are as

we believe, we have got Gannox in
a bad place. Personally I believe
the case will be settled now, by our
withdrawing the action, Gannox
signing the agreement and our paying
freely, nominal costs. I don't think
we should appear too anxious and
for that reason I have kept out,
but tomorrow I will suggest that
Hards see him and make our prop-
osition. I shall probably have
more to write by the same mail
as this, but it is very hard to
accomplish much here, as we both
get to work before 10.30 and being
one takes his time.

I have no opportunity of looking
into any commercial matters, but
I am impressed with the fact that
Hards suggests to you ought to
be carried out, namely, that there
should be frequent board meetings.



THE FREDERICK HOTELS,
LIMITED.

HOTEL RUSSELL, LONDON.
HOTEL GREAT BRITAIN, LONDON.
HOTEL MANCHESTER, MANCHESTER.
HOTEL EDINBURGH, EDINBURGH.
HOTEL BRISTOL, BRISTOL.
HOTEL BIRMINGHAM, BIRMINGHAM.
HOTEL NEWCASTLE, NEWCASTLE.
HOTEL GLASGOW, GLASGOW.
HOTEL ABERDEEN, ABERDEEN.
HOTEL DUBLIN, DUBLIN.
HOTEL LONDON, LONDON.

TELEPHONE RUSSELL HOTEL RUSSELL, LONDON.
TELEGRAMS "RUSSELL"
MANAGEMENT BY MISS SERRARD,
"HOTELS" "HOTELS" & MISS SERRARD.

Hotel Russell,
Russell Square,
London, W.C.
190.

at least once in two weeks in the busy season, that there should be a full report of the exact business situation at each meeting, that all matters relating to credits, claims for trade agents, returns of goods etc. should be considered and passed upon at board meetings and that all checks should be signed (and properly countersigned by clerks) only at meetings, except those for the regular pay rolls. In other words, all questions of policy would have to be finally considered by White and Clark, and

they would be jointly responsible, White would then be the executor of the policy adopted by the board, and could defer any requests for special consideration by customers to the board. White is working hard, gets down to the office early and stays late and is absolutely loyal to you and the Edison and has the Company's best interests at heart, but he is a great talker and has afraid leader firmness. If it were arranged so that anything out of the regular run required board approval, I don't see why White would be the right man here. On the other hand, White Clark is the personification of energy and vim and of good judgement, I don't think he is entirely sincere, ^{and} he is quite a tough, ~~worded to the same end~~

Harage Under no circumstances
should he be given entire control of
affairs, but working conjointly with
White the combination is all right.

Logan is here but sails on Sunday
by the Steamer. He is looking
very much better, but will he see
not appear right to me. He wishes
me particularly to remember him
to you. White and Harage have
certainly done all in their power
to make it pleasant for me,
but I haven't seen anything of
London except a cab ride on Sunday.
I leave for Paris on Sunday and go
to Berlin next Sunday, but I
will keep in touch with White so
that I can get back to London
in short order if necessary in
the Garbage case. Hope you

are well, and that everything is
going on all right. Please give my
regards and respects to Mr. Edison,
and believe me always,

Yours sincerely,
Frank L. Rice

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison

MARK
EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.

25 Clerkenwell Road,

London, E.C. *Nov 27/04*

Phono. - Mance.
Cable Codes Used: A.L., A.B.C., COMMERCIAL,
LIBBEK'S, AND HUNTING'S.

**Thomas A.
EDISON'S**

Photographs,
Gold Moulded
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

FACTORIES:

Orange N. J.,
U.S.A.
Berlin,
Paris,
Brussels.

My dear Mr Gilmore:-
Regarding my personal
acct - I shall get all my expenses in
& clear this up this month. I quite
know it is wrong to allow expenses to
run so long but did not put mine
in last summer as we were very short
of hospital. You know also I only draw
£8-0-0 per week on acct I income tax
& I have a large amount to go to my
credit on this acct. As stated above
it will be cleared up this month & the
next trial balance you receive will not
show any great amount against my
name. Regarding the Phono supply co.

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison.
MARK

Cable Codes Used: A.A., A.B.C., COMMERCIAL,
LIBRE'S, AND HUNTING'S.

**Thomas A.
EDISON'S**

Phonographs,
Gold Mounted
Records,
Projecting
Kinetoscopes,
Original Films,
Tatary Fan
Meters,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.

25 Clerkenwell Road,

London, E.C.

FACTORIES:

Orange N. J.
U.S.A.
Paris
Paris
Brussels

I changed managers some time ago &
inclose you herewith regular reports which
I now receive & by which you will
see it is beginning to pay. I shall
run it along until Jan 1st & if it does
not improve will close it up & pocket
the loss. Kitto could not run it & you
cannot get good men, or at least it is very
difficult to get those you can trust.

She
shall pay in something this month &
I hope to give you a better report
next writing.

With kind regards, I am,
Yours most truly,
J.H. White.

[ENCLOSURE]

Photograph Supply Company,
321, OXFORD STREET, W.

REPORT FOR WEEK ENDING Oct. 8th 1904

SALES.

| | | | |
|------------|-------------|------------------|-----------|
| Trade. | Machines | 31.13.2 | |
| | Accessories | 2.16.4 | |
| | Records | 66.8.9 | |
| | Sundries | 2.10.4 | 102.8.7 |
| Retail. | Machines | — | |
| | Accessories | 3. | |
| | Records | 5.0.6 | |
| | Sundries | 8. — | 5.11.6 |
| | | <u>£109.0.1.</u> | |
| Cash Sales | | £ | 43.1.2 |
| Credit „ | | £ | 65.18.11. |

TOTAL £109.0.1.

EXPENDITURE

| | |
|----------------------------|----------|
| Stock | 57.19. — |
| Rent, &c.... | — |
| Wages and Salaries | 4.13. — |
| Sundries | 4.10. — |
| Advertising. | 12. —. — |
| Stationery } Printing } | 13. —. — |

TOTAL 92.2. —.

Cash in hand or at Bankers.

| | | |
|-----------------|-----|-----------------|
| Brought forward | £ | 106.7.11. |
| Cash Sales | ... | 43.1.2. |
| Cash to Account | | 31.4. — |
| | £ | 180.13.1 |
| Less | | |
| Expenditure | £ | 92.2. — |
| | £ | <u>88.11.1.</u> |

Assets Receivable.

| | | |
|-----------------|---------|------------------|
| Brought forward | £ | 225.17.6 |
| Credit Sales | ... | 65.18.11 |
| | £ | <u>291.16.5.</u> |
| Less | | |
| Amount Received | 31.4. — | |
| | £ | <u>260.12.5</u> |

THE PHOTOGRAPH SUPPLY CO

[ENCLOSURE]

The Phonograph Supply Company,

321, OXFORD STREET, W.

REPORT FOR WEEK ENDING Oct 15th 1904.

SALES.

| | | | |
|------------|-------------|-------------------|----------|
| Trade. | Machines | 38.2.- | |
| | Accessories | 4.2.10 | |
| | Records | 71.6.8 | |
| | Sundries | 5 | 113.11.8 |
| Retail. | Machines | — | |
| | Accessories | 4.6 | |
| | Records | 3.15.- | |
| | Sundries | 2.-.- | 5.19.6 |
| | | <u>£ 119.11.2</u> | |
| Cash Sales | | £ 35.14.3 | |
| Credit .. | | £ 83.16.11 | |

TOTAL £119.11.2.

EXPENDITURE

| | |
|------------------------|---------|
| Stock | 1.4.3 |
| Rent, &c. | — |
| Wages and Salaries ... | 5.16.6. |
| Sundries | 4.1.-. |
| <i>Fittings.</i> | 3.-.10 |
| <i>Advert.</i> | 7.10.- |

TOTAL £21.12.7

Cash in hand or at Bankers.

Brought forward £ 88.11.1
 Cash Sales ... 35.14.3
 Cash to Account 34.-.3

£ 158.5.7

Less

Expenditure £ 21.12.7

£ 136.13.-

Assets Receivable.

Brought forward £ 260.12.5
 Credit Sales ... 83.16.11

£ 344.9.4

Less

Amount Received 34.-.3

£ 310.9.1

THE PHONOGRAPH SUPPLY CO.
M.O.

[ENCLOSURE]

Gramophone Supply Company,

321, OXFORD STREET, W.

*Please return
to J.M.W.*

REPORT FOR WEEK ENDING

Nov 26th 1904.

SALES.

| | | | |
|------------|-------------|-----------------|--------|
| Trade. | Machines | 28.15.11 | |
| | Accessories | 7.5.1 | |
| | Records | 27.18.7 | |
| | Sundries | 3.11 | 64.3.6 |
| Retail. | Machines | 2.2.- | |
| | Accessories | 16.- | |
| | Records | 5.2.- | |
| | Sundries | 2.7 | 8.2.7 |
| | | <u>£ 72.6.1</u> | |
| Cash Sales | | £ 32.3.11 | |
| Credit " | | £ 40.2.2 | |

TOTAL 72.6.1.

EXPENDITURE

| | |
|------------------------|-------------|
| Stock | 7.9.1 |
| Rent, &c... .. | 88. --. --. |
| Wages and Salaries ... | 9.8.- |
| Sundries... .. | 4.10.- |
| <i>Printing</i> | 26.12.11. |
| / | |

TOTAL 133. --. --.

Cash in hand or at Bankers.

| | |
|-----------------|--------------------|
| Brought forward | £ 202.15.2 |
| Cash Sales | ... 32.3.11 |
| Cash to Account | 40.18.3 |
| | <u>£ 275.14.4</u> |
| LESS | |
| Expenditure | £ 133. --. --. |
| | <u>£ 142.14.4.</u> |

Assets Receivable.

| | |
|-----------------|--------------------|
| Brought forward | £ 431.11.3. |
| Credit Sales | ... 40.2.2 |
| | <u>£ 471.13.5.</u> |
| LESS | |
| Amount Received | 40.18.3. |
| | <u>£ 430.18.2</u> |

THE GRAMOPHONE SUPPLY CO

ADRESSE TÉLÉGRAPHIQUE
RAMDOMLY-BRUXELLES

Record-Manuf.

TRADE
MAGN
EMSON PHONOGRAPHE

National Phonograph Co

Usines :

And Records

WAX DEPARTMENT

ORANGE N. J. - U. S. A.

Enregistrem^{ts}

84, Rue Scheutveld, 84

BERLIN.

LONDRES

BRUXELLES

PARIS

BRUXELLES

BRUXELLES

PARIS.

VIENNE

BERLIN.

Handwritten: Mr. Wm. C. Gilmore
National Phono Co
Orange N.J. U.S.A.
COPIE

Handwritten: Bruxelles, le Dec 2nd 1904
MAIN OFFICE, RECEIVED
DEC 12 1904
ANS. 11/17/04
Orange N.J. U.S.A.

Handwritten: Mrs. S. W.

Handwritten: National Phono Co
Orange N.J. U.S.A.

Dear Sir:-

Enclosed please find European factories & rec'g Depts General condensed Report. I am pleased to state that there is a marked improvement all round. Orders come in quite liberally especially from London of course our production is sufficient to fill them without delay at all our plants.

The cost of one record, taking as a basis, the full statements in-
cluding all expenses for November 04 is as follows:-

| | | | |
|---|----------------|------------|--------------------------------------|
| ✓ | Brussels plant | \$ 8,85.24 | } Total \$ 121.92 = \$ 0.07.307 each |
| ✓ | Berlin | \$ 0,07.16 | |
| ✓ | Paris | \$ 0,09.52 | |

Thus bringing the average cost of European manufactured records for the month of November 04 to \$0.07 each.

I wish it to be understood that above is only an approximate, rough figure and may be a trifle less or perhaps a trifle more but I think these figures are very near correct.

ADRESSE TÉLÉGRAPHIQUE
RAMOOLM-VBRUXELLES

TRADE
MARK
Thomas A. Edison
COPY

EDISON PHONOGRAPHS
And Records

Enregistrements

LONDRES

BRUXELLES

PARIS.

BERLIN.

National Phonograph Co

WAX DEPARTMENT

84, Rue Scheutveld, 84

BRUXELLES

Usnes :

ORANGE N. J. U. S. A.

BERLIN.

PARIS

BRUXELLES

VIENNE

Bruxelles, le Dec 2nd 1904

COPIE

M^r Wm. B. Gilmore :

According to all indications our European business will increase to such an extent next year that we may have to increase also our manufacturing capacities at Brussels and Berlin plants and in order to meet the demand we may in all probabilities erect another plant at above mentioned factories this however need only be done during the summer months and be ready in case of emergency.

I would like to have your advice in regard to the location of our next factory.

London is inclined to think that Italy is a better field than location for the erection of our next factory but my opinion is that Spain is better than Italy inasmuch as importing our goods into Spain is almost prohibitive due to excessive high tariff this however is a point to be considered and would like you have your advice as soon as possible in order to put our specifications through for fixtures and machinery and tools etc. if the question of erecting another plant is at all considered next year.

In regard to our American patent # 3,134 our patent attorney in Vienna considers what we have done in order to protect this patent.

ADRESSE TÉLÉGRAPHIQUE
RANDOMLY-BRUXELLES

TRADE
Thomas A. Edison
MARK
EDISON PHONOGRAPHS

And Records
—
Enregistréments

LONDRES
BRUXELLES

PARIS.
BERLIN.

COPIÉ

National Phonograph Co^o

WAX DEPARTMENT

84, Rue Scheutveld, 84

BRUXELLES

Usines :

ORANGE N. J. U. S. A.

BERLIN.

PARIS

BRUXELLES

VIENNE

Bruxelles, le Dec 2nd 1904

Mr. J. M. Gilmore,
sufficient to uphold the validity thereof if we do not sell
this product in great quantities (supplies wholesale) in Austria.
On our case where we are unable to have this article manufac-
tured in Austria and can prove it by correspondences past bet-
ween sapphire grinders and our firm and that we have complied
with all requirements of the law. If, however, the Austrian Govern-
ment instead of having them manufactured in the Country where
patent was granted we may be obliged to crush some sort of a
sapphire grinders apparatus there but I do not think this probable.
I have made arrangements with our recording Dept. and would
to rent the apartments occupied by N.P.C. and as soon as this
is done we will move to Mad. Deth where ample room is to be had
to do all recording. We will pay rent only for the time we occupy
the apartments!

I remain yours very sincerely,
J. J. Gilmore

Telegrams & Cables: "RANDOMLEY, LONDON."
Telephone No. 5050, HOLSBORN.

TRADE
Thomas A Edison
MARK

Edison, T.A.
Cable Codes Used: A.L., A.B.C., COMMERCIAL,
LIEBER'S, AND HUNTING'S.
Name - Use

**THOMAS A.
EDISON'S**

Phonographs,
Gold Moulded
Records,
Projectors,
Kinetoscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand-
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.**

25 Clerkenwell Road,

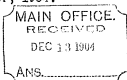
London, E.C.

FACTORIES:

Orange N.J.,
U.S.A.
Berlin,
Paris,
Brussels.

3rd December, 1904.

W. N. Gilmore, Esq.,
Orange, New Jersey, U.S.A.



Dear Sir,

With further reference to the matter of the Fraud Order against T.A. Edison Junior Electro-Chemical Company, we have sent circulars out in this country, in fact we believe every customer on our books has been properly circularised and we have duly charged the expense of this back to Orange.

Regarding the matter of sending these circulars out in France, I am advised by Mr. Kaltenecker that nothing has ever been printed in the French papers regarding this "fake" Electro-Chemical Company, and that the French public are entirely ignorant of what has taken place, therefore I do not think it would be a good idea to stir them up or to circularise our small connection in France. I take it in making public this fraud order your idea is merely to safeguard Mr. Edison's name and business interests, therefore for the present I shall do nothing further about this matter in France, as I think the publishing and sending round of this fraud order would not make a very favourable impression upon the French public at present

N. P. Co. Ltd.

Please let me know if you do not agree with me so far as France
is concerned.

Very truly yours,

J. H. White
Managing Director.

J.H.W./L.D.

Telegrams & Cables: "RANDOMLY, LONDON."
Telegraphs: No. 5050, HOLBORN.

TRADE
Thomas A Edison
MARK

Record-Making
Cable Codes Used: A.L., A.B.C., COMMERCIAL
LISBON'S, AND HUNTING'S.

**Thomas A.
EDISON'S**

Photographs,
Gold Moulded
Records,
Projecting
Kinetoscopes,
Optical Films,
Battery Fan
Kites,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH GO. Ltd.
EDISON MANUFACTURING GO. Ltd.**

25 Clerkenwell Road,

FACTORIES:

Orange N.J.,
U.S.A.
" "
Berlin
" "
Paris
" "
Brussels

London, E.C.

MAIN OFFICE
3rd DECEMBER 1904.
DEC 13 1904
ANS.

W. E. Gilmore, Esq.,
Orange, New Jersey.

Dear Sir,

I enclose you herewith report for weekly sales of this office ending November 26th being £22615.78 total. London Sales being £20446.90. I have not yet received figures for the entire business of November, but from what I can see at the present moment I fear they will fall somewhat short of the business for November 1903, which was £144,810.26. However, I shall give you a complete report as soon as I get the figures from Berlin and Paris.

Our record sales during November of this year have been light, and I put it down to the following reasons :-

1. The weather during the month of November in Great Britain has been exceptionally fine, which is detrimental to phonograph business generally.
2. We are up against the stiffest kind of competition here as regards to records. The following well-known firms are selling moulded records to the public at 1/- each: "The Columbia Phonograph Company, Edison-Bell Consolidated Phonograph Company, Ltd., The Electric Record Company (Messrs. T. & G. Hough, proprietors), Messrs. Luccock and Packman" and the Pathé Company advertise their record at 1/4 but it is generally sold at 1/-.
3. We fully expect to have shipped to our trade from the Brussels plant during November records from the No. 11 British list, copy of which I enclose herewith, and also records from our special

N. P. Co. Ltd.

Christmas supplement, which I enclose herewith. The Brussels plant has fallen down very badly in delivering new records. With the exception of a few records shipped against our orders for the No. 11 British supplement, the Brussels plant turned out no new records during November, and the records which they have shipped on the No. 11 supplement did not go out until November 30th, therefore too late to include in the November business, as we have not yet received invoices for them. We had hoped also that the Brussels plant would be able to deliver us records from the November-December American supplement, moulded masters of which are now at the Brussels plant, but up to date there is no sign of receiving a production from these moulds.

While I do not wish you to think from these remarks that I am discouraged about the record business, I feel that in justice to ourselves we should set forth our opinion as to the reasons for light record sales. So far as the competition here in Great Britain is concerned, I still do not fear this as I am satisfied our record will prevail in the end at 1/6. The greatest problem which confronts me at present is the one of Brussels being able to make quick delivery of selections which we turn over to them for moulding. Of course we must in justice add the sales of Berlin and France for the purpose of making a fair comparison against November of last year, and I think when the figures are received from Messrs. Graf and Kaltenecker we will not fall far behind last year's business, but it will probably be 10,000 or 20,000 lower. I hope, however, that we will make up this loss during December, as it has already started in very brisk, and I feel sure that with the new records that Brussels will give us things will boom to a very considerable extent. However, I will write you very fully on this at a later date.

I also beg to enclose herewith our cheque for \$5000 on the National Park Bank of New York, and I trust you will have placed

N. P. Co. Ltd.

to our credit and a receipt returned.

I shall be able to send you \$25,000 to \$40,000 within the next
two weeks.

Very truly yours,

J. H. White.
Managing Director.

J.H.W./L.D.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. E. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

EDISON PHONOGRAPHS & RECORDS.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

83 CHAMBERS STREET, NEW YORK.
304 WABASH AVENUE, CHICAGO.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND REPLY TO THESE INITIALS.

C O P Y

Orange, N. J. Dec. 13, 1904.

E. Riehl Esq.,

C/o National Phonograph Co.,
Brussels, Belgium.

Dear Sir:-

Please accept thanks for your letter of Dec. 2nd, enclosing
factory reports for week ending Nov. 29th.

The average percentage of good records at Brussels is very low
indeed and does not begin to compare with the output at Berlin and Paris.
As I understand this, the average percentage of the total records
manufactured during that week at Brussels (50527) was only 53%; or do I
understand that out of the total number of records inspected there
were only 53% good? This looks very poor indeed any way that you look
at it.

I note what you have to say about cost of records there, and it is
quite gratifying to know that this has decreased materially for November
production. I hope that you can keep it down to this point, or even
less. I realize that this is only an approximate estimate.

Regarding the location of another factory, this is the first inti-
mation I have received that London or any body else has contemplated the
erection of a new factory at any other point. For your information I
would say that I do not care to have another factory installed at the
present time; in fact, I want to consider it most carefully before doing
so. Mr. White has not communicated with me on this subject. I will
take it up, however, later. Please do nothing about the installation

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

83 CHAMBERS STREET, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON.
PARIS.
BERLIN.
BRUSSELS.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

COPY.

Orange, N. J.

13, 1904.

2.

12/13/04.

F. Riehl

of any further plants or in fact making any further increases, until you communicate with me. The jurisdiction as to this is with this company, and not with London, or in fact any other of the selling plants. What I want to do now is to get the present plants that we have going working successfully before we enter new fields. I think you will agree with me that this is the better course to pursue.

I note that your further advice from the Austrian patent attorney is that you have done everything possible to protect the patent, but as I have indicated in another letter, I assume that you have seen Mr. Dyer about this, but if not, I will take it up with him when he gets back.

Yours very truly,

President.

WEG/IWW

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

CABLE ADDRESS
"ZYFOTIC, NEW YORK"

83 CHAMBERS STREET, NEW YORK.
321 N. WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND PREFER THIS DETAILS.

MAR 23 1905

Orange, N. J.

Dec. 13, 1904.

G. Groves Marks, Esq.,

London,

England.

Dear Sir:

I duly received your letter of Nov. 16th, regarding the taking back of the factory at Berlin, now that the Stollwerk contract has been cancelled.

I have discussed with Mr. Edison quite fully the method that should be pursued, and the decision reached is that what you propose doing is entirely satisfactory in every way. I see no good reason why the Edison Gesellschaft should not own the patents there and that they grant to the National Phonograph Co. the sole license to manufacture under such patents in Germany.

I do not see where there is going to be any friction as to the administration of this factory. You will remember that Mr. Riehl has charge of all the manufacturing plants at Brussels, Berlin and Paris, and it is our desire that he shall continue to manage them, and that they shall not come under the supervision of the selling departments. If the selling departments will attend to their own business they will have plenty to do, and all that is necessary is for the selling departments to arrange to place orders with the manufacturing departments for such records as they may require.

So far as money is concerned, there is no reason why the Edison Gesellschaft cannot advance such monies as may be required to meet all

expenses, in the same manner as is pursued by the National Phonograph Co., Ltd., of London. Of course, as matters are now running, all goods for the Edison Gesellschaft are billed to the National, Ltd., at London, who in turn charge same forward to the Edison Gesellschaft. Now if the Edison Gesellschaft advance money to this company for the proper operation of their plant in Berlin, then of course the amount would have to be charged back to the National Ltd., London, who in turn would charge it back to us. I do not see but that this can be done without any great amount of trouble, but it brings up the question as to whether eventually we should not deal direct with the Edison Gesellschaft in Germany and with the French Company in Paris, the same as we do with the National Ltd. in London. Of course I do not see that we can arrange this at present, so far as machines are concerned, nor do I want to leave the same authority vested in Germany and in France as it is in London, as if they are allowed to order promiscuously directly from us the tendency would be to order such a large quantity of goods that the consignment account would be very much heavier than we could stand. I have before me a memorandum showing that the consignment account with the National Ltd. at London at this date is \$554,770.93. Of course this represents the goods that they have on hand plus their Accounts Receivable (which includes all shipments made by them to Germany and France), goods in transit, etc. etc., but the amount is getting so large that we have got to do something radical to the end of reducing it. I think, therefore, that for the present it will be necessary to let both France and Germany order their goods from London, so that the London office can control the amount of goods that should be shipped to them. This, of course, only applies to phonographs and accessories, and when it comes to the question of records I assume we have got to leave them the right to order such records as they want from our Berlin plant, in the case of

SHEET No. 3. DATE, 12/13/04 NATIONAL PHONOGRAPH CO. TO G. Croydon Marks.

Berlin, and from the Paris plant in the case of Paris.

I do not know whether you have discussed this matter with Mr. Dyer or not, but in any case, what you have indicated in your letter is quite satisfactory to us. I wish you would make arrangements to take it up and straighten it out forthwith.

Yours very truly,

WEG/IWF

President.

Write him
MMS

Messrs. Gilmore and J. R. Schermerhorn:-

I have carefully read over the letters from Riehl to you, also Mr. Schermerhorn's reply to same, and would advise you that I have already written Riehl on the subject of Mr. Schermerhorn's letter under date of Dec. 19, 1904

It seems to me that he is ignorant to certain details of the business if he thinks that the moulded masters we have been sending him are to be used to make "mother" moulds of. I have recently seen a Supplement of Christmas carols which have been listed in London, and which had been made from moulded masters we have sent him, and if he has treated these moulded masters sent as "mother" masters, and from them made mould masters, and from them the regular moulds from which the commercial product is produced, they will certainly be a failure as not one of them will track across the record without adjusting the reproducer.

I also note what Mr. Riehl says in regard to the strict inspection of masters under the microscope in Paris, as follows:

"I hold the opinion that we cannot be too severe, and no chances can be taken in examining masters made under the original or "mother" mould system, and our criticism should be most rigid in the selection this also has a tendency of bringing our records to a higher standard."

I wish to say that I differ very much with Mr. Riehl in this respect, and would add that if he keeps this inspection to severe he will throw away masters, which, from a reproducing standpoint, are of the best. It has been my experience that certain kinds of shades can be moulded, and to as good an advantage as an absolutely perfect mould, and I have written him sometime ago in regard to this severe inspection, and advised him that when he is doubtful whether a master is good or not to make a mould and try it, and get some experience as to what will work

and what to reject, as it is a whole lot cheaper to discard a copper shell of a mould than to run a chance of throwing away an expensive master, and I have recently received a letter from him on this same subject stating that he had tried this, and found that masters he had experimented with made a satisfactory mould. It seems to me that it would be a good idea if he keep us posted more in detail as to some of the troubles he is having in the production of the Brussels plant. I note that on his report he has only 44 per cent good, but I find in figuring it out that he is wrong and that it is 55 per cent good. This seems to me to be a very poor showing, and if we knew what his troubles are we might be able to help him out considerably in the same manner that we sent him information on the moulded master situation. I have heard, however, that he is rarely ever at the Brussels plant and spends most all his time at the Wax plant. It seems to me that if the Wax plant is going satisfactorily, and quite evidently it is, he should be at the place where the trouble exists to try and remedy it.

W. H. Miller.

12/23/04.

[ATTACHMENT]

ADRESSE TELEGRAPHIQUE
RANDOMILY-BRUXELLES

TRADE MARK
Edison & Edison
EMERSON PHONOGRAPHS
And Records
Enregistrements
LONDRES
BRUXELLES
PARIS.
BERLIN.

National Phonograph Co

WAX DEPARTMENT
84, Rue Scheutveld, 84
BRUXELLES

Record-Manuf.

Usines :
ORANGE N. J. U. S. A.
BERLIN.
PARIS
BRUXELLES
VIENNE

Bruxelles, le Dec 7th 1904

COPIE
Mr. Wm. C. Gilmore
Orange N. J. U. S. A.

MAIN OFFICE
RECEIVED
DEC 19 1904
ANS 12/19/1904

Dear Sir:-

I have pleasure handing you herewith Condensed European report of Paris, Brussels and Berlin factories, wax plant, Paris, Berlin & London recording Dept. for week ending Dec 6th of which you notice the exact state of our plants.

We have 129 German selections and with the remaining 16 old selections from Orange making a total of 145 German selections up to Nov 30th 04.

In the month of October 44 new selections were added to the French Catalogue and 47 during November bringing the total up to Nov 30th to 189 selections. The English list the same date shows 233 new selections.

In addition to the English, Flemish, Wallonian and French moulds manufactured at the Brussels works we have to add now the full American supplement which will ease our Brussels Mould Dept. to its utmost capacities and I fear the additional

Préférez d'adresser toute communication en réponse à cette lettre au "Wax Department"

[ATTACHMENT]

ADRESSE TELEGRAPHIQUE
RAMDOMLY-BRUXELLES

TRADE
Thomas A. Edison
MARK
EDISON PHONOGRAPHS
And Records

National Phonograph Co.

WAX DEPARTMENT

84, Rue Scheutveld, 84

BRUXELLES

Usines :

ORANGE N. J. U. S. A.

HERLIN.

PARIS

BRUXELLES

VIENNE

Enregistrements
—
LONDRES
—
BRUXELLES
—
PARIS.
—
BERLIN.

COPIE

MAIN OFFICE
BRUXELLES
JAN 1895
ANS.

M^r J. E. Gilmore

Manufacture of American Supplement moulds will necessarily decrease either our Flemish & wallonish or french production of moulds. I would therefore (in order to maintain the present output) strongly urge to ship either a certain number of moulds (American) or at least as requested in a letter addressed to M^r W. H. Miller to ship us moulded masters instead of original or mother moulds masters, thus saving the manufacture of original moulds.

If you could spare a few moulds monthly it would of course benefit us greatly here and in order to handle mould situation properly without any undue delay of producing records therefrom it will be absolutely necessary to ship us regular moulded masters as above stated.

I strongly advocate this course for the Amer monthly supplement means the manufacture of at least 50 additional moulds to our regular Brussels mould production.

I will again look into the possibility of increasing Paris mould Dept. as it would be a boon for our french Catalogue. If this could be done.

Paris recording Dept. is doing exceedingly well & are making new selections very satisfactory as to quality & quantity.

Prière d'adresser toute communication en réponse à cette lettre au "Wax Department"

[ATTACHMENT]

ADRESSE TELEGRAPHIQUE
RAMDOLMWERBRUXELLES

TRADE
Thomas & Edison
MARK
EDISON PHONOGRAPHS
And Records
Enregistrements
—
LONDRES
—
BRUXELLES
—
PARIS.
—
BERLIN.

National Phonograph Co^o

WAX DEPARTMENT
84, Rue Scheutveld, 84
BRUXELLES

Usines :
—
ORANGE N. J. U. S. A.
—
BERLIN.
—
PARIS
—
BRUXELLES
—
VIENNE

Bruxelles, le Dec 12th 1904

COPIE

Mr. J. M. Gilmore,
Paris
M^r J. M. Gilmore complains that our Coallois works are too particular in the examination of masters sent there & are submitted to too severe microscopical tests. While there may be some truth in their excursion I hold the opinion that we cannot be too severe and no business should be taken in examining masters made under the original or mother mould system and our criticism should be most rigid in the selection this also has a tendency of bringing our recording to a higher standard.
M^r Chas North having completed his work at the Berlin factory will according to my instructions visit Brussels & Paris plants to put finishing touches if necessary to Mould Dept.
At the wax plant only sufficient wax is mixed to supply Brussels, Berlin & Paris plants and a stock of one month is kept at each factory and a small stock at the wax station.
Wishing you & yours a merry Christmas I remain

Respectfully Yours
J. G. Gilmore

EUROPEAN FACTORIES SUP^o

[ATTACHMENT]

W. C. GILMORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

83 CHAMBERS STREET, NEW YORK.
304 WABASH AVENUE, CHICAGO.



LONDON,
PARIS &
BERLIN,
BRUSSELS.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

Orange, N. J.

Dec. 21, 1904.

(COPY)

E. Riehl, Esq.,

C/o National Phonograph Co.,

Brussels, Belgium.

Dear Sir:

Mr. Gilmore has just shown me your letter of Dec. 9th, enclosing your weekly report, and I have noted particularly that portion of it which has reference to the sending of masters of American supplements. I assumed that Mr. Miller had fully acquainted you with the fact that we are sending you, not original or mother masters, but masters from which working moulds could be made, and as a matter of fact, Mr. Miller states that it is a very easy matter for you to determine whether or not such is the fact. Also, I should think it would strike you that we would not send you five or ten originals from which to make mother moulds.

The letter has just reached us and we have not had time to take up the matter of supplying you with moulds; I am only writing you this letter so as to set you ~~right~~ straight on the masters that are now going forward.

Yours very truly,

J. R. Schermerhorn.

JRS/IWW

Asst. Gen. Mgr.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

83 CHAMBERS STREET, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS.



IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

CABLE ADDRESS
"ZYNOTIC, NEW YORK"

Orange, N. J.

Dec. 31, 1904.

C O P Y.

E. Riehl, Esq.,

c/o National Phonograph Co.,

Brussels, Belgium.

Dear Sir:

In discussing matters with Mr. White having reference to our business abroad, he has brought up the question of broken promises as to deliveries of records from the Brussels plant, and particularly the shipment of Christmas Carols, about which you have already had some correspondence. He further states that promises made as to shipments for the past two or three months have not been lived up to and that quick selling records, such as selections from the comic opera "Prince of Filsen", "The School Girl" and the November-December records, had not up to the time that he left been shipped to London so that they could fill orders.

From the talks that I have had with him, I can only conclude that the management of the Brussels plant is in a very demoralized condition and that extremely radical measures are necessary to get this plant running satisfactorily so as to meet the growing business in the British Isles as well as on the Continent. It therefore behooves you to take hold of the Brussels plant immediately with a view to introducing an effective remedy.

It is my wish that you immediately make an investigation of all

SHEET No. 2. DATE, 12/31/04, NATIONAL PHONOGRAPH CO. TO E. Riehl.

the orders that have been received from London since September 1st last, that you go through these orders and look up all correspondence in connection with same and then see what instructions were given to the Brussels plant as to manufacture, what their necessities and future requirements were, and in fact, any information you can obtain which will put you in a position to explain the dilatory tactics that have been pursued at that plant. I judge that London has instructed Brussels as to their requirements in the way of records, and if these instructions have not been followed there must be some good reason for it, and that is exactly what I want to know. I am satisfied that you may find it necessary to make a change in the management there; there is no doubt that there is something radically wrong.

As I have previously written you, I cannot understand why it is that the percentage of accepted or good records is so low at the Brussels plant, and particularly during the months of October and November. When you compare the output of good records at the Berlin and Paris plants as against the Brussels output there is a vast difference, which, so far as I can see, can only be accounted for by poor management. Although I have written you as to this heretofore, I have not as yet received a satisfactory explanation as to why the percentage of good records was so low. It is now my desire that you look into it personally and that you report to me fully as to the reasons therefor, and what you intend doing to remedy it. For your information I would say that the net output of good records here averages about 82%.

There is another point upon which I would like to hear from you as well, and that is, how often are you visiting the different plants? I refer to the plant at Berlin, at Paris and at Brussels. It would seem to me that you should outline some scheme whereby you visit these plants periodically. My opinion is that you should visit everyone of them at

SHEET No. 3. DATE, 12/31/04. NATIONAL PHONOGRAPH CO. TO E. Riehl.

least every two months so as to go into any troubles that they may have and so that you will be acquainted with what is being done there. Of course, in the absence of any information to the contrary, I am assuming that you do not visit these different plants so long as they are operating satisfactorily, but it would seem to me that you want to visit each and every one of them so that you will know the exact conditions and suggest any remedies that may occur to you in the way of improvements, cleanliness, etc. etc. I am speaking particularly now of the Paris and Berlin plants, as I understand that you had not been to the Berlin plant for a long time, your last visit being just at the time Mr. White sailed over here. Of course, so far as the Brussels plant is concerned, if it is your intention to have your headquarters at the wax plant in Brussels then of course you should visit this plant right along.

I should be very glad if you would consider this most carefully and let me have a full report as to what method you have heretofore pursued and what method you purpose adopting hereafter.

I might add in conclusion that my immediate assistant, Mr. J. R. Schermerhorn, will doubtless leave for Europe in the very near future. He is going abroad to look over the factory plants particularly, but will also look after such other business as I may direct. You will be advised in due course as to when he leaves, and I wish you would so arrange matters that you can give him your undivided time when he visits the different plants to go into any and all matters that he may bring up looking to giving me a full report as to how he finds conditions in the different establishments.

WES./TWW

Yours very truly

President.

P.S. I want particularly to get from you a report as to the reasons for the delay in getting out what we designate as popular selections. I understand that our competitors have all of these latest selections,

SHEET No. 4. DATE, 12/31/04. NATIONAL PHONOGRAPH CO. 70 E. Riehl

whether it be comic opera, ballads, bands, etc. etc., on the market long before we are able to produce them. Now I do not refer to the American-made selections, but absolutely to the British selections. I am advised that the Edison-Bell people had Christmas Carols on the market by the 1st of November, whereas our first shipment did not leave the factory until about December 8th to 10th. There must, of course, be a good reason for this, and if there is, I want to know what it is.

National Phonograph Co. Ltd. London.
month of December 1904

| | Cost of Merchandise | Plus General Expense | Total Cost | Sales | Profit | Loss | Net Profit |
|------------------|---------------------|----------------------|------------|-----------|---------|------|------------|
| Gen. Phonograph | 22182.04 | 1659.22 | 23841.26 | 25321.94 | 1480.68 | | |
| Standard | 21025.04 | 1572.67 | 22597.71 | 25013.82 | 2416.11 | | |
| None | 7878.- | 589.27 | 8467.27 | 10029.28 | 1562.01 | | |
| Triumph | 1906.- | 142.57 | 2048.57 | 2415.90 | 367.33 | | |
| Concert | 286.- | 21.39 | 307.39 | 370.48 | 63.09 | | |
| Ac & C | 72.- | 5.39 | 77.39 | 96.78 | 19.39 | | |
| National Records | 37187.50 | 2782.96 | 39970.46 | 42833.30 | 2862.84 | | |
| Planks | 85.88 | 6.42 | 92.30 | 105.58 | 13.28 | | |
| Wax Cylinders | 1302.32 | 97.41 | 1399.73 | 1957.18 | 557.45 | | |
| Batteries | 94.82 | 7.09 | 101.91 | 118.10 | 16.19 | | |
| Electric Tincter | 2418.34 | 180.89 | 2599.23 | 2710.58 | 111.35 | | |
| Total \$ | 94437.94 | 7065.28 | 101503.22 | 110966.94 | 9463.72 | | 9463.72 |

**National Phonograph Company Records
Correspondence, Domestic (1905)**

This folder contains correspondence and other documents relating to the commercial exploitation of phonographs in the United States. Most of the items are letters to and from William E. Gilmore, president of NPCo. Other correspondents include John R. Schermerhorn, assistant general manager; Carl H. Wilson, manager of sales; Leonard C. McChesney, manager of the Advertising Department; attorney Frank L. Dyer, and San Francisco jobber Peter Bacigalupi. Included are letters pertaining to the manufacture, distribution, and sale of phonographs and cylinder records, as well as correspondence about litigation, patents, copyrights, and other legal matters. Among the documents for 1905 are letters regarding the control of the New England Phonograph Co.; Bacigalupi's participation in the Lewis and Clark Exposition in Portland, Oregon; and schedules for shipping cylinder records. Other items concern the reorganization of the phonograph business on the West Coast; competition with Victor, Columbia, and other companies; and the formation of a Commercial Department to sell and operate dictaphones. Also included is a 6-page report by Dyer concerning pending litigation involving NPCo, the Edison Manufacturing Co., and other Edison concerns. At the end of the folder are reports detailing the ownership and condition of the local phonograph companies organized under the aegis of the North American Phonograph Co. during the years 1888-1890.

Approximately 20 percent of the documents have been selected. Among the items not selected are documents regarding ongoing litigation with the New York Phonograph Co. and other parties, the business of individual dealers and jobbers, and the evaluation of patents granted to outside parties.

Form No. 69.

M. Simon

New York City, Jan. 3rd, 1905.

REPORT OF JOBBERS & RETAIL DEALERS AGREEMENTS.

| DATE | Jobbers Agreements. | Retail Dealers Through New York Office. | Retail Dealers Through Chicago Office. | Total Retail Dealers Direct. | Retail Dealers Through Jobbers | Total Retail Dealers. | Retail Dealers Out of Business. | New Dealers. |
|---------|------------------------|---|--|---------------------------------|-----------------------------------|--------------------------|------------------------------------|--------------|
| Nov. 26 | 115 | 530 | 465 | 995 | 3311 | 4306 | 1 | 33 |
| Dec. 3 | 115 | 536 | 467 | 1003 | 3372 | 4375 | 2 | 35 |
| 10 | 115 | 542 | 481 | 1023 | 3438 | 4461 | 1 | 50 |
| 17 | 115 | 547 | 492 | 1039 | 3466 | 4505 | 3 | 29 |
| 24 | 115 | 550 | 500 | 1050 | 3508 | 4558 | 2 | 40 |
| 31 | 115 | 554 | 505 | 1059 | 3545 | 4604 | 1 | 31 |

P.S.

Nov. 26---Dealers Resigned 42.
 Dec. 3---" " 36.
 Dec. 10---" " 37.
 Dec. 17---" " 18.
 Dec. 24---" " 15.
 Dec. 31---" " 16.

OK'd
W. W. Wilson

Legal Department.

Thomas A. Edison
National Phonograph Co.
Edison Manufacturing Co.
Bates Manufacturing Co.
Edison Storage Battery Co.

Phon. Legal
Fidelity Nat. Orange
'Cakeshitans College Orange'

Frank L. Dyer, Counsel
Frank C. Smith, Assistant Counsel
Delia Kellern

Subject:

Orange, N.J. FEB 7 1905.

Wm. E. Gilmore, Esq.,
Nat'l Phon. Company,
Orange, N.J.



Dear Sir:-

Regarding the attached letter from Mr. Samuel Insull, I beg to advise you that the question of the extent of musical copyrights was decided by Judge Colt on January 27/05 in the case of Kennedy et al. v. McTammany, 33 Federal Reporter 584. In that case the defendant manufactured perforated sheets for use in organettes. The Court said:-

"I cannot convince myself that these perforated strips of paper are copies of sheet music, within the meaning of the copyright law. They are not made to be addressed to the eye as sheet music, but they form part of a machine. They are not designed to be used for such purposes as sheet music, nor do they in any sense occupy the same field as sheet music. They are a mechanical invention made for the sole purpose of performing tunes mechanically upon a musical instrument."

All of these considerations apply with even greater emphasis to phonograph records and there is practically no doubt but that the opinion of Judge Colt would be sustained if the attempt were made to enjoin a phonographic reproduction of a copyrighted musical composition. Of course as Mr. Insull suggests it might

Wm. E. Gilmore, Esq. - 2.

be possible to have the law changed by Act of Congress, but
if any effort is made in that direction, we ought of course to
oppose it to the utmost.

Yours very truly,

FLD/ARK.

Frank T. Moore

[ENCLOSURE]

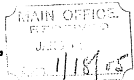
EDISON BUILDING,
33 ADAMS ST. CHICAGO, ILL.
CABLE ADDRESS: "WUULL, CHICAGO."

Phon. - Legal

Chicago, January 13th, 1905.

W. E. Gilmore, Esq.

Care Edison Manufacturing Company,
Orange, N.J.



My Dear Gilmore:

I am interested in some inventions for the manufacture of music rolls, and the people interested with me have drawn my attention to the efforts of music publishers to get the law changed so that they can copyright their music and prevent its being manufactured into music rolls, and prevent the use of such music in the making of phonograph records. One way they would have of doing it would be to try and get the law changed so that they could copyright a perforated music roll and copyright a phonograph record. It would seem to me that this would interfere with your business, just as much as it would interfere with my exploiting the patents which I control on music rolls. Have you looked into the matter at any time. I wish you would write me your views on the subject.

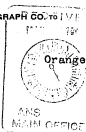
Yours truly

Samuel Insull

SHEET No. DATE,

NATIONAL PHONOGRAPH CO. 7611 VE

Record - Many.



Orange, N. J. March 15, 1905.

Mr. W. E. Gilmore,

Mr. C. H. Wilson.

After nearby Jobbers having repeatedly asked to have Record Supplements shipped in advance of new Records (in order to get their mailing lists ready before arrival of Records), it was decided to get the sentiment of the trade on the subject. On February 23, the following letter was mailed to all Jobbers.

"At various times in the past Jobbers have asked to have their supply of Record Supplements shipped to them BY EXPRESS COLLECT a few days in advance of the new Records each month for the purpose of getting their mailing lists ready in advance. We are willing to change our present rule of shipping them with Records if it can be done without detriment to the trade, and desire your replies to the questions on enclosed postal card. Please fill in and return at once."

The postal card referred to in this letter read as follows:

"It being understood that Jobbers availing themselves of this plan will not circulate them in advance of their receipt of new Records:-

1. Do you want your Record Supplements sent by express, COLLECT, a few days in advance of shipments of new Records each month?
2. If not, do you object to its being done for other Jobbers?"

All but 19 Jobbers have replied at this date as follows:

- 53 Want Supplements in advance, will pay express charges and agree not to distribute in advance.
- 17 Do not want them in advance and make no objection to others having them.

-2-

- 4 Do not want them and express no opinion about others having them.
- 18 Do not want them and oppose other Jobbers having them.
- 10 Wrote special letters: all but 1 being opposed to any change.
The attached sheets give the names of replying Jobbers and show their preference.
In all cases where an opinion was expressed by more than "yes" and "no", the cards and letters are attached.

It is evident from the above tabulations and the accompanying cards and letters that any change in our present plan of shipping Supplements with Records will be followed by friction and dissatisfaction, notwithstanding that more than half of the replying Jobbers want them in advance. If these Jobbers are taken at their word, then the only benefit of getting the Supplements will be to get their mailing lists ready in advance. It seems to me that this advantage is more than offset by the trouble that the change will cause us and the friction that it will cause in the trade. If Jobbers have envelopes addressed and stamped in advance it cannot be much of a task to enclose the Supplements: it can be done while the Records are being unpacked. Getting new Records to retail customers each month is not a matter of such urgency after all and so long as ~~we~~ one Jobber cannot get Supplements ahead of another, the present plan cannot work.

-3-

to any one's disadvantage.

The tone of some of the replies makes it certain that the Jobbers wanting Supplements in advance will not be content with getting them a day in advance, but will want them still earlier. No matter how many times we change the plan to meet their views, the time will come when we must make a stand and refuse further changes because of inability to get the Supplements printed earlier.

I believe that the real desire for a change in our present plan is to get Supplements to send to Dealers. In order to get ahead of competitors, and Supplements in the hands of Dealers in advance is going to cause trouble with no gain to any one.

Aside from the friction in the trade, a change in our present plan will mean considerable extra trouble to the order and shipping departments. I hope that no change will be made.

L. G. M. Cherry

Manager Advertising Department.

SUBJECT: Discarded moulds.

(4/4/5)

Mr. Redfearn:

Record - Manuf.

Please make up for me a list showing the moulds discarded during the months of December, January, February and March. In making up the list, show the discards under two columns, one to cover those discarded because of injury received in the Moulding Department, and the other showing those discarded due to other causes; for instance, bad plating, poor phonographically (by Walter Miller), etc.

4/8/55.

J.R.S.

SUBJECT: Oil Painting "The Phonograph".

Mr. Westee:

Referring to the attached letter, this has reference to the oil painting I purchased some little time ago. The letter should be put away in the safe, as some of these days somebody may come and claim that they have the copyright on it, etc/

5/3/05.

W.E.G.

Enc-H

ND

[ENCLOSURE]



Chalfonte

ESTABLISHED 1868
THE LEEDS COMPANY

H. W. LEEDS, PRESIDENT
S. W. LEEDS, VICE PRESIDENT
S. P. LEEDS, JR., SECRETARY
S. P. LEEDS, TREASURER
A. T. DELL, SECRETARY

On the Beach

Atlantic City, N. J.

April 6th, 1905.

Mr. J. R. Schermerhorn, Asst. Gen. Mgr.,
National Phonograph Co.,
Orange, N. J.

Dear Sir:-

In reply to your letter of April the 5th, 1905,
I acknowledge with thanks the receipt of your check for \$703.00,
completing the purchase of the Oil Painting known as "The Phono-
graph", by Professor P. Massani of Florence.

I also take pleasure in advising you as you request
that I have transferred to you with this picture all of my right
therewith. I received the picture from abroad about two months
ago, first opened it and put in on exhibition in CHALFONTE,
Atlantic City, about four weeks since, and have not allowed any
one to copy or photograph it, or acquire any rights whatsoever
therein.

Trusting that this will answer your purpose, I am
Very respectfully yours,

A. Johnson

(5/12/05)
Phon. -
Maunf.

SUBJECT: Sapphire manufacturers.

J. R. S.:

As you are doubtless aware, we have been bringing suit from time to time against these little manufacturers of sapphires of all kinds, and the general result is that we lose all there is in it, as they start up under another name, and they have no capital, nor in fact anything that can be seized. As a result the victories that we do obtain amount to nothing. Now what I want to do is to get after these people in another way, and that is by putting our prices so low that they cannot compete with us, but the only question with me is whether we are able to take care of the business that would come to us should we do so. The same remarks will apply to other repair parts, such as belts, etc. etc.

Before doing anything in this respect I wish you would arrange for Redfern to get out all the costs, etc., and then we can decide what we intend to do. If you do not understand exactly what I am after you had better talk to me about it.

5/12/05.

W.E.G.

W. E. SILMORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.
ORANGE, N. J.

CABLE ADDRESS
"ZYMOLOGIC, NEW YORK"

EDISON PHONOGRAPHS & RECORDS.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

309 WABASH AVENUE, CHICAGO.
31 UNION SQUARE, NEW YORK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

Orange, N. J.

May 15, 1905.

Frank L. Dyer, Esq.,

Laboratory.

Dear Sir:

Referring to your letter to me of Feb. 27th, which I attach hereto, together with statement of the condition of our litigations as of that date, I am returning all of these papers herewith with the request that you have it brought down to date. Quite a few of these cases have doubtless been concluded and finished, but I would like to know the condition of affairs.

Yours very truly,

W. E. Gilmore
President.

WEG/TWW

Enc-G

By

*M.P. - Legal
(3/20 Phon. Engd)*

Orange, N. J. May 18, 1905.

W. E. Gilmore, Esq.,
Orange, N. J.

Dear Sir:--

Replying to your favor of the 15th inst.,
I hand you herewith a report on the present condition of
pending suits:

EDISON PHONO. CO. v. LEXDS & CATLIN CO.

Bill filed Oct. 1, 1903 in the United States
Circuit Court at New York for infringement of Edison Mold-
ed Record Patent No. 657,462. No Testimony has been
taken.

NATIONAL PHONO. CO. v. LEXDS & CATLIN CO.

Bill filed September 23, 1903 in the United
States Circuit Court at New York for infringement of Edison
Patent No. 414,761, covering blanks or records. No testi-
mony has been taken.

NATIONAL PHONO. CO. v. LEXDS & CATLIN CO.

Bill filed Sept. 18, 1903, in the United States
Circuit Court at New York for infringement of Edison Pa-
tent No. 713,205, covering molded records. No testimony
has been taken.

NATIONAL PHONO. CO. v. INDESTRUCTIBLE RECORD CO., et. al.

Suit pending in the U. S. Circuit Court at
Chicago for infringement of Edison Patent No. 397,706 on
of
Auxiliary Shell between Mandrel and Record. As the patent
forming the basis of this suit has expired, I recommend
that the case be discontinued.

NEW ENGLAND PHONO. CO. v. HORTON

| | |
|---|------------|
| " | " HANSON |
| " | " CALL |
| " | " LEFEVOUR |
| " | " SULLIVAN |
| " | " LORD |
| " | " DAKIN |
| " | " MATHRY |
| " | " CAMPBELL |
| " | " PARSONS |
| " | " ABER |

No testimony has been taken.

NEW ENGLAND PHONO. CO. v. DAWSON CO.
" " COLBERT CO.
" " AMERICAN GRAPHO.CO.
" " GRAVEY

Taking of testimony postponed.

NAT. PHONO.CO. v. AMERICAN GRAPHO.CO.& COL.PHONO.CO.

Bill filed Jan. 27, 1903, in U. S. Circuit Court at New York for infringement of Edison Patent No. 454,941 on Mica-Built-up Diaphragm. Defendant's proofs closed and case ready for complainant's rebuttal. I have been authorized to drop this case, but as Mauro is not willing to trade off the suits on the Macdonald Recorder patents, it may be well to keep this suit pending for the present.

EDISON PHONO.CO. v. HAWTHORNE & SHKBLE

Suit on Patent No. 386,974 for infringement consisting in removal of phonograph name plates. As the patent in suit has now expired, I recommend that the case be discontinued.

NATIONAL PHONO. CO. v. AMERICAN GRAPHOPHONE CO.

Suits on Edison Molded Record Patents Nos. 667,662 and 713,209. An appeal has been taken from Judge Platt's decision to the Circuit Court of Appeals.

NATIONAL PHONO. CO. v. LAMBERT CO.

On Edison Molded Record Patent No. 713,209.
The appeal has just been argued before the Circuit Court of Appeals, and we are awaiting decision.

NATIONAL PHONO.CO. v. AMERICAN GRAPHO.CO.

On Miller & Aylsworth Molded Record Patents Nos. 683,615 and 683,676. No testimony has been taken. We are to discontinue this suit, which is pending in the District of Connecticut, and bring a new suit in the District of West Virginia.

EDISON v. BIOGRAPH COMPANY

Bill filed November 7, 1902 - Edison reissue Patent No. 12,037 - in the United States Circuit Court at New York. Defendant's testimony is closed, and Mr. Bull is now working on our rebuttal.

EDISON v. LUBIN

Bills filed Nov. 6, 1902 in the United States Circuit Court at Philadelphia, Edison reissue patents Nos. 12037 and 12036. Defendants testimony closed and complainant's rebuttal is to be taken. The suit on reissue Patent No. 12,036 should be discontinued, as this patent was again reissued as 12,192.

EDISON v. SWLIC

Bill filed Nov. 7, 1902, in U. S. Circuit Court at Chicago, Edison reissue patent Number 12,037. Prima facie testimony closed. Defendant's testimony closed and complainant's rebuttal is to be taken.

RICHARD F. OUTCAULT v. EDISON MFG.CO. & PERCIVAL L.WATERS

Suit brought in U. S. Circuit Court at New York for infringement of copyright on "Euster Brown" pictures

A motion for preliminary injunction was brought on and was denied by Judge Lacombe. A demurrer has been filed. No change in status. Suit probably will not be pressed.

EDISON PHONO.CO & NAT.PHONO.CO.v. FRED'K.SUDRINK,et al.

Bill filed April 28, 1904 in U.S.Circuit Court at New York to restrain the sale of Edison Phonographs and records. A motion for injunction was brought on for hearing and was granted by Judge Lacombe. Awaits taking of testimony.

AMERICAN GRAPHOPHONR CO. v. NAT. PHONO. CO.

Bill filed in U.S.Circuit Court at New York on Macdonald Patent No. 663,958. Mauro is going to discontinue this suit and bring a new suit on the same patent in the District of New Jersey.

AMERICAN GRAPHO.CO. v. NAT'L.PHONO.CO.

Bill filed March 10, 1904 in U.S. Circuit Court at New York on Macdonald patent No. 527,755. Mauro is going to discontinue this suit and bring a new suit on the same patent in the District of New Jersey.

ARMAT MOVING PICTURE CO. v. EDISON MFG. CO.

Bill filed Nov. 28, 1904. Injunction granted and reversed on appeal with costs. Church is trying to settle the case.

NATIONAL PHONO.CO.v.AMERICAN GRAPHO.CO., et al.

Bill filed Oct. 21, 1904 in the U.S.Circuit Court at Hartford for infringement of Edison Patents on Floating Weight Reproducer. This case is to be discontinued.

NEW YORK CASE.

Judge Hazel's recent opinion modifies his former opinion by granting an injunction, but suspends the same pending an appeal.

INTERNATIONAL GRAPHO.CO. v. EDISON PHONO. WORKS, et al.

Bill filed in Chancery Court of New Jersey for an accounting, etc. Defendants' answers have been filed. There are no new developments.

THOMAS A. EDISON v. FERDINAND SCHNEIDER

" " GEO. MILLER, ET AL
" " WM. PALMY, ET AL
" " CAMPAGNIE GENERALE, (PATHE), etc.

Bills filed Nov. 23, 1905 in U. S. Circuit Court at New York on Edison film Patent Reissue No. 12,192. Defendants have appeared in each suit by Herman Herst, Jr. and Kerr, Page & Cooper. Answers and replications have been filed and the cases are at issue. We have retained Carter as expert and are about to proceed with our prima facie proofs.

AMERICAN KUTOSCOPE & BIOGRAPH CO.V. EDISON MFG.CO.

Suit filed Nov. 12, 1904 in U.S. Circuit Court, District of New Jersey for infringement of copyrighted film entitled "Personal". Judge Lanning has overruled our demurrer and refused a preliminary injunction on the ground of non-infringement. We are about to file our answer to the bill.

THOMAS A. EDISON v. VI TAGRAPH CO.OF AMERICA

Bills filed Mar. 13, 1905 in U.S.Circuit Court at New York, on Edison Patents Reissues 12,037 and 12,192. Defendants have appeared by Kerr,Page & Cooper

and answers have been filed.

AMER. GRAPHO. CO. v. NEW YORK PHONO. CO.

Bills filed April 1, 1905 in U.S.Circuit Court District of New Jersey on Macdonald Composition patents Nos. 606,725 and 626,729. We are preparing answers.

NEW JERSEY PATENT COMPANY v. COL.PHONO. COMPANY, GENERAL

Bill filed April 3, 1905 in U.S.Circuit Court District of New Jersey on Aylsworth patent. Defendant's answer due June 5, 1905.

AMER. GRAPHOPHONE CO. v. NATIONAL PHONO. CO.

Bill filed Apr. 7, 1905 in U.S.Circuit Court, District of New Jersey, on Tainter Composition Patent No. 393,190. Our appearance not due until June 5, 1905.

WISCONSIN PHONO. CO. v. EDISON, et al.

Bill filed in U. S. Circuit Court at Trenton. Answers not yet due.

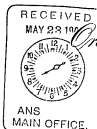
STATE PHONO. CO. OF ILLINOIS v. EDISON, et al.

Bill filed in U. S. Circuit Court at Trenton. Answers not yet due.

Yours very truly,

Frank L. Spurr

EDISON PHONOGRAPH WORKS



Orange, N. J. May 22, 1905.

National Phonograph Co.,
Orange, N. J.

Gentlemen:

Referring to your letter of syon date, having reference to the matter of new prices to be quoted you on the standard type phonographs that we have heretofore furnished for you, we hereby quote you the following prices, based on quantity orders the same as heretofore placed by you:

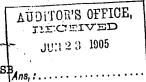
| | |
|----------------|-------------|
| Gem type, | \$2.90 each |
| Standard type, | 4.00 " |
| Home " | 5.25 " |
| Triumph " | 9.50 " |
| Concert " | 10.90 " |
| Victor " | 16.30 " |

These prices are to be effective as of March 1, 1905. We will make up and send you a credit memorandum for these different type machines charged since that date, and hereafter the machines will be charged to you at these prices.

It is of course understood that these prices include the machines as heretofore furnished you, boxed, ready for shipment.

Yours very truly,

Asst. Gen. Mgr.



AW-JSE

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.
ORANGE, N. J.

CABLE ADDRESS
"ZYNOTIC, NEW YORK"

EDISON PHONOGRAPHS & RECORDS.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE DETAILS.

306 WABASH AVENUE, CHICAGO.
31 UNION SQUARE, NEW YORK.
MAY 22 1905



Orange, N. J. May 22, 1905.

Edison Phonograph Works,
Orange, N. J.

Gentlemen:

The question of the price of phonographs having been brought up and considered and it being found necessary that a reduction in price be made this company based on the quantity orders that we have placed with you in the past fiscal year, and to be effective as of March 1, 1905, will you kindly indicate the prices at which you intend to furnish machines to us of the following different types:

Gem
Standard
Home
Triumph
Concert
Victor.



Yours very truly,

W. E. Gilmore
President.

WEG/LWW
AW

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHERMEHRHOFF,
ASSISTANT GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
TREASURER.
EDGAR W. DENNISBON,
SECRETARY.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.

305 WARREN AVENUE, CHICAGO.

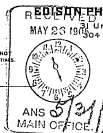
LONDON,
PARIS,
BERLIN,
BRUSSELS.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"



IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

L. C. M.



Orange, N. J.

May 25, 1905.

Mr. W. E. Gilmore, President,
Orange, N. J.

Dear Sir:

Before beginning to do any actual work in the matter of preparing copy for the Catalogue of the new Business Phonograph, I would like to refer to a matter in connection with this machine that seems to me worth more than ordinary consideration. In discussing the future of the Business Phonograph on one or two occasions with Mr. Durand, he has suggested that it might be a good plan to begin to exploit the Business Phonograph as a business dictation system, treating the subject on a larger and broader basis than a mere sale of single machines. This subject seems to offer many possibilities for the success of the Business Machine. If we were to adopt such a plan, it would make a material difference in writing copy for a Catalogue. In fact, a Catalogue prepared either way could hardly be used for the other without entirely re-writing. Has Mr. Durand made any similar suggestion to you, and if so, have you given it any consideration? Can you give me any suggestions upon what lines to prepare a Catalogue? When this work is done, I intend getting some assistance from Mr. Durand and also from the Lord Agency.

Very truly yours,
L. M. Chevey
Manager Advertising Dep't.

This letter was written before I knew of Mr. Durand's suggestion with the company. I mentioned it during the last meeting we had and he informed me that he intended to do it to you or somebody else. I said it. L. C. M.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. H. SCHERER & SONS,
ASSISTANT GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
TREASURER.
EDGAR W. DENISON,
SECRETARY.

Phon. - Advertising
NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

TRADE
Thomas A. Edison
MARK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE DETAILS.

L. C. M.

CABLE ADDRESS
ZYNOTIC, NEW YORK



May 26, 1905.

Mr. W. E. Gilmore, President,
Orange, N. J.

Dear Sir:

Mr. H. F. Miller to-day brought up the matter of the 5% rebates due us from the J. Walter Thompson Co. Mr. Miller denies the statement of Mr. Chapin that our rule up to this year had been not to take advantage of the 5% discounts. Mr. Miller states that the rule has always been to take them and that where we did not, it was due to an oversight or to some fact which made it impossible or difficult to do so. Such, for instance, as your own absence from the city or other causes beyond the control of the Accounting Department. If this is the case, we are entitled to a rebate from the Thompson Co. of 5% on all advertising done by us in publications which allowed the discount to Thompson. On the surface, it looks as if the Thompson Co. have deceived us and have not treated us as they should. Just as the Lord Agency is now allowing us 5% on nearly all publications that we are using, so the Thompson Agency should have allowed us 5% in a similar manner. I think that we should demand this rebate, unless they can prove to us by letters from the publications in question that the discount was not allowed to them.

This may seem harsh, but people who do not treat us fairly are entitled to no other consideration. Mr. Chapin has repeatedly assured me that we were being allowed 5% discount on all bills, where it

SHEET No.

DATE,

NATIONAL PHONOGRAPH CO. TO

-2-

^{WVA}
is proper to do so. It is charitable to assume that he believed that he was making a correct statement, but it does not excuse his house, for they knew that such was not the case. If you are disposed to insist upon our rights in this matter, I will have Mr. Miller go over the vouchers for the past three or more years to establish the fact that it was our rule to take the 5% cash discount, and then make a demand upon the Thompson Co., accordingly.

Very truly yours,

L. F. M. Cheever
Manager, Advertising department.

FORM 123 5-1-10 104

WHOLESALE, EXPORT, RETAIL



EXHIBITION BUILDING:
840 MARKET STREET
805 KEARNY STREET

TELEPHONE: OFFICE AND BALEARDINO:
MAIN 5464 786-788 MISSION ST.

SAN FRANCISCO June 1, 1905.

PROJECTING
MACHINES

FILMS

SLOT PIANOS

PIANINOS

PIAN-ORCHESTRA

MINIATURE RAILROADS

MERRY-GO-ROUNDS

ALL KINDS OF

CON-CONTROLLED

MACHINES

TO OUR FRIENDS AND PATRONS:

We take pleasure in informing you that the National Phonograph Company and the Edison Manufacturing Company of Orange, New Jersey, are to have an exhibit at the Lewis & Clark Centennial to be held at Portland, Oregon, June 1 to October 15, 1905. We are their representatives for the Pacific Coast and they have kindly consented to allow us to have charge of this exhibit and are to furnish us with a very handsome booth and many specially equipped machines.

We know that you are not going to miss this great Fair and trust that we will have the pleasure of a call from you. We are to have a fine showing of all that is new and up-to-date in the Phonograph and Record line, also a display of Moving Picture Machines and are making special preparations for the entertainment and comfort of our guests. We will be glad to have you make our booth your headquarters, where our clerks will be in attendance to furnish you any information you may desire and take care of your wraps and bundles.

Through the courtesy of the Remington Typewriter Company we are to have a complete Remington Typewriter Outfit to be used in conjunction with the new Edison Business Phonograph. You will thus have an excellent opportunity of testing the merits of Mr. Edison's latest triumph in a practical way.

Hoping to have the pleasure of seeing you in Portland, we are,

Yours very truly,

PETER BACIGALUPE.

[ATTACHMENT]

Plan and Scope of the *Lewis and Clark Centennial Exposition and Oriental Fair* to be held at Portland, Oregon,

the Rose City of the Pacific Northwest, from June 1 to October 15, 1905



BY ACT of the United States Congress, approved by President Roosevelt, April 13, 1904, followed by an invitation issued by the Honorable John Hay, Secretary of State of the United States, there will be held, during 1905, in the City of Portland, Oregon, one of the great commercial ports of America, an important International Exposition, to be known as the **Lewis and Clark Centennial and Oriental Fair**. The Exposition will commemorate the 70th anniversary of the exploration of the Oregon Country by an expedition planned by President Jefferson, and commanded by Captains Meriwether Lewis and William Clark.

The Oregon Country comprised all of the present States of Oregon, Washington and Idaho and parts of Montana and Wyoming, an area of 300,000 square miles. As the acquisition of

An American Exposition

this region was one of the most important events in American history, because of the direct influence it had upon the subsequent territorial expansion of the United States, the American people in general and those of the Pacific Coast in particular, backed by the Government, have decided that the Centennial shall be fittingly celebrated. The Exposition will demonstrate the marvelous progress of Western America, and will be the first international exposition, under the patronage of the United States Government, to be held west of the Rocky Mountains. It is estimated that 5,000,000 people live in the section of country, within a radius of 1000 miles of Portland, who are directly interested in making the Exposition the true exponent of its material progress and development.

Will Cover 402 Acres

The Exposition will represent an expenditure approximating \$7,500,000 when the gates shall have been officially opened on June 1, 1905. It will occupy 402 acres adjoining the principal resident district of Portland, on the gentle slopes and terraces overlooking Guild's Lake and the Willamette River. Of the gross area, 180 acres are on the mainland, including natural forest park and landscape gardens, while 60 acres form a peninsula in the lake. Guild's Lake is a natural fresh water body, 220 acres in extent, separated from the river by a narrow span of land. The grounds are 20 minutes ride by electric car from the center of the city, and have been pronounced by competent authority as, scenically, the finest exposition site in the world. Five snow peaks in the distant mountain ranges are in plain view from all parts of the grounds.

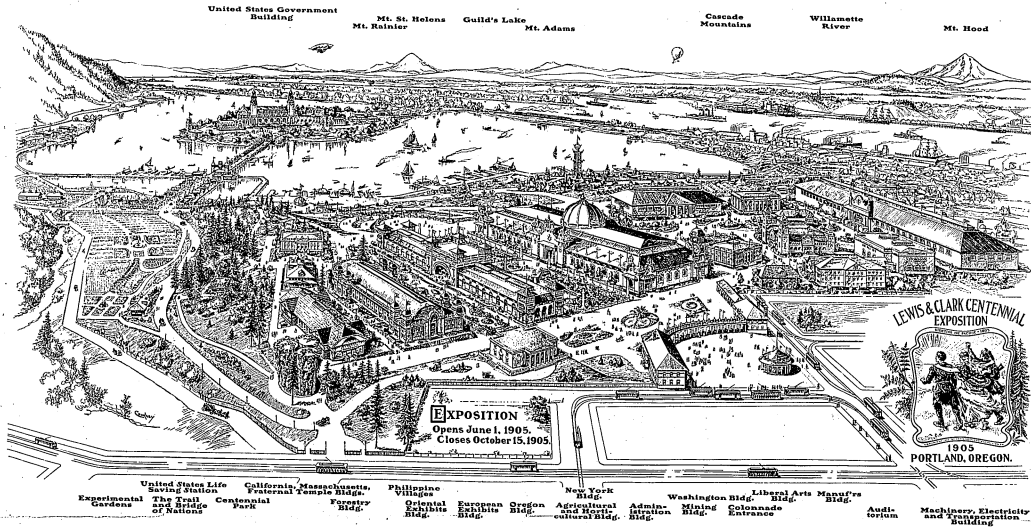
Eleven Palaces For Exhibits

Eleven large exhibit palaces form the nucleus of the Exposition. Around these cluster the State, Territorial and Concessions buildings, special pavilions, the Administration group, the Auditorium, and numerous smaller pseudo-exhibit structures. The main exhibit palaces are: (1) Agriculture; (2) Liberal and Industrial Arts; (3) Oriental Exhibits; (4) European Exhibits Building; (5) Forestry; (6) Fine Arts; (7) Mines and Metallurgy; (8) United States Government Exhibit Building; (9) Territorial Building; (10) United States Fisheries-Forestry and Irrigation Building; (11) Machinery, Electricity and Transportation. The Forestry Building, constructed entirely of huge logs felled in the forests bordering on the Columbia, will be the most striking architectural creation ever seen at an exposition.

[ATTACHMENT]

Bird's-Eye View of Lewis and Clark Centennial Exposition and Oriental Fair

PORTLAND, OREGON



[ATTACHMENT]

The United States Government building will occupy the peninsula in the center of Guild's Lake. It will cover three acres, will cost \$250,000, and will have two towers, each of which will be 260 feet high. Arrangements have been made with the transportation companies so that exhibits displayed at St. Louis in 1904 may be shipped to Portland through the opportunity offered by the free return freight rates established on goods sent to the Louisiana Purchase Exposition. All the main exhibit palaces will be under roof long before the time it is necessary to remove exhibits from St. Louis. The Liberal and Industrial Arts Palace, Foreign Exhibits and other buildings were ready for the storage of exhibits on November 1, 1904, and the remainder of the buildings will be completed by February 1, 1905. As Portland is the terminus of four transcontinental railways and, as the Willamette River harbor is one of the boundaries of the Exposition site, enabling ocean steamers to discharge their cargoes, if necessary, directly upon the grounds, it is manifest that the facilities for expeditiously and economically conveying, installing and maintaining exhibits at the Lewis and Clark Centennial Exposition are unparalleled.

**Ready to
Receive Exhibits**

The United States Government officially participates in the Centennial with complete exhibits representative of every division of governmental function and resource. Great Britain, Germany, Holland, Italy, Japan, China, Turkey, Austria-Hungary and other foreign nations will be represented with comprehensive displays. In recognition of the new era of Oriental trade relations, the exhibits from Asiatic lands will be significant. The following states in the Union have made appropriations for their participation: New York, Massachusetts, Virginia, Minnesota, North Dakota, Wyoming, Washington, Montana, Idaho, Utah, California, Oregon, Missouri, and, provisionally Colorado, Nevada, Arizona, and other states and territories with which negotiations are pending.

**State and National
Participation**

All exhibitors, national, state, foreign, or otherwise, will be pleased to know that the ninety-day limit for the return of articles of exhibit to the original point of shipment has been extended one year, in order to permit state and commercial exhibits at St. Louis to be trans-shipped to Portland for the purpose of taking advantage of the rare opportunity afforded for exploiting new, but rapidly developing trade fields. As a special inducement to participating nations it has been the pleasure of the Exposition to make liberal terms covering the exhibit and sale of foreign goods. Quality and not quantity is the aim of the management and with this purpose in view the result is bound to prove successful and advantageous to exhibitor and exhibition alike.

**Ninety Day Limit
Extended**

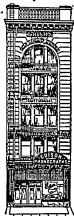
The City of Portland, with 140,000 inhabitants, is but 3½ hours distant from the Pacific Ocean, on the Willamette River at, practically, its confluence with the famous Columbia. The heaviest draft vessels of all nationalities are seen nearly every day in the year in Portland's harbor, and besides the many fleets that regularly ply to the port, the war vessels of our own and other nations are frequently here, adding a picturesque feature to the city's water front. A fleet of our most famous battle ships will be anchored in the river at the foot of the Exposition grounds during the summer. Portland holds extensive commercial intercourse with the whole world, the chief export commodities being lumber, flour and grain. Portland does a wholesale business of \$175,000,000 annually and the product of its factories was \$50,000,000 last year.

**The City that Dramatized
The Western World's Fair**

Thirty conventions have already arranged to meet in Portland during the Exposition. The City is amply provided with the finest facilities for handling large assemblies. Hotel accommodations are equal to all demands, and reasonable rates will be charged. An inn of 500 rooms is being built on the Exposition Grounds for the convenience of visitors. The rapid transit facilities of Portland are the equal of those of any city in the United States, and the 200 miles of electric street railway are splendidly equipped.

1000 00 00000

WHOLESALE, EXPORT, RETAIL



PROJECTING
MACHINES
FILMS
SLOT PIANOS
PIANINOS
PIAN-ORCHESTRA
MINIATURE RAILWAYS
MERRY-GO-ROUNDS
ALL KINDS OF
COIN-CONTROLLED
MACHINES



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805 KEARNY STREET
605 K ST. SACRAMENTO

TELEPHONE:
MAIN 5464

OFFICE AND SALESROOM:
786-788 MISSION ST.



Mr. W. E. Gilmore,
Orange, N. J.

Dear Sir:-

I am in receipt of yours of the 28th ult. re Portland Fair. I have carefully followed your remarks and I hope that the increase of business on the Pacific Coast will make you change your mind as to the efficacy of exhibits in Expositions. I know that our exhibit is attracting a great deal of attention and certainly will open new business for our dealers on the Coast. They are getting the benefit of all this very materially already. We certainly will not compete for prizes.

Now regarding the slip you sent us about the attachment, will say that I did not want to bother you with this until the incident was closed. Owing to the fact that your people were so long in sending their part of the fixings and our not knowing what we were going to get, we could not make a contract with the builders, but they talked so nicely that my man, Wilson, made a bargain with them to ~~xi~~ pay for the material and allow them 15% profit. When I saw the bill for \$465.00 I nearly had a fit and refused to pay them. They attached the booth and I telegraphed my man Seddes to give a bond and have the attachment released at once which was done. I understand that there have been seventy-four attachments on the Fair grounds so you see we have plenty of company. Leave it to me and I will do the best I can to have the bill reduced. You know I am like yourself, adverse to being held up and will not see you held up either. I know that you have lots of worries and law suits, therefore, was waiting to have things settled before writing you.

I am sorry to hear that Mr. Edison is not coming out to the Fair, he certainly would enjoy it. Nature has done every thing to make this Fair the prettiest one possible on this earth.

W.E.G.---2

Why don't you and Mrs. G. take a jump there?

Do I understand it right in regard to the Phonographs at the Exposition, that we are to sell them at 10% more than list price on gilded and plated Phonographs? Don't you think it would be better for you to send us a list with the selling prices, I could send this to Mr. Geddes and there would be mistakes.

Yours truly,

A handwritten signature in cursive script, appearing to read "W.E. Geddes". The signature is written in dark ink and is positioned to the right of the typed name "W.E.G.".

Diet.P.B.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER,
J. R. SCHEIDT & BODIN,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER,
EDGAR W. DODDSON,
SECRETARY.

Phon. - Advertising

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
306 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

TRADE
Thomas A. Edison.
MARK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION TRADE MARKS.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

L. C. H.

RECEIVED
JUL 10 1905

Orange, N. J.

July 10, 1905.

Mr. W. E. Gilmore, President
Orange, N. J.

Dear Sir:

The enclosed sheets show approximately the expenditures of the various talking machine companies for the six months beginning with January, 1905, together with the publications and space used by each. because of varying conditions under which advertising contracts are made, the figures of our own advertisements are the only ones that can be regarded as accurate. The cost of the Victor advertising is quite uncertain because in January and February they used cover positions and inserts, the prices for which are much higher than regular space. Its cost, too, is indefinite. It is probable, however, that the amounts given in these tables for the Victor advertising fully cover the cost to the Victor Company. The 7th sheet gives approximately the total amounts expended by each of the five companies in the six months. These sheets include only general magazines. It is probable that all of the competing companies have done more or less advertising in other mediums.

These sheets have been prepared for your special information and need not be returned. A similar set is being sent to Mr. Edison.

Very truly yours,

L. C. M. Cheney
Manager, Advertising Department.

[ENCLOSURE]

JANUARY, 1905.

| | VICTOR | | EDISON | | COLUMBIA | |
|-----------------------------|--------|-----------|----------|---------|----------|--------|
| | Space | Cost | Space | Cost | Space | Cost. |
| Ainslee's | | | | | | |
| Argosy | | | | | | |
| Associated Sunday Magazines | | | | | Page | 116.87 |
| Booklovers | Cover | 235.75 | | | | |
| Christian Herald | Cover | 1344.00 | | | | |
| Collier's | | | 1/4 page | 224.79 | | |
| Comopolitan | Insert | 1031.43 | | | | |
| Delineator | | | | | | |
| Everybody's | Cover | 600.00 | page | 374.00 | | |
| Farm & Fireside | | | 140 l. | 245.00 | | |
| Farm & Home | | | | 215.60 | | |
| Four Track News | | | page | 79.46 | | |
| Good Housekeeping | | | | | 1/2 page | 85.00 |
| Gunter's | | | | | | |
| Harper's Monthly | | | | | | |
| Hearst Sundry Magazines | | | 140 l. | 346.50 | | |
| Ladies' Home Journal | 1/4 p. | 1000.00 | | | | |
| Ladies' World | | | 140 l. | 256.41 | | |
| Leslie's Monthly | Insert | 748.44 | page | 249.48 | page | 249.48 |
| Life | | | 140 l. | 69.30 | | |
| McClure's | page | 374.40 | page | 374.40 | " | 374.40 |
| Men & Women | | | 140 l. | 35.11 | | |
| Metropolitan | | | page | 110.88 | | |
| Munsey's | page | 475.00 | page | 475.00 | | |
| National Magazine | | | page | 126.22 | | |
| National Sportsmen | | | | | | |
| Outing | | | | | | |
| Overland Monthly | Cover | 260.00 | | | | |
| Pearson's | | | | | | |
| Popular Magazine | page | 89.10 | | | | |
| Red Book | | | page | 112.20 | | |
| Review of Reviews | | | page | 195.00 | | |
| Saturday Evening Post | 1/4 p. | 450.00 | 1/4 p. | 350.00 | | |
| Scribner's | page | 225.00 | | | | |
| Smart Set | page | 225.00 | | | | |
| Strand | | | | | | |
| Success | Cover | 2000.00 | 140 l. | 261.80 | | |
| Sunset | | | | | | |
| Twentieth Century Home | Cover | 474.00 | | | | |
| Woman's Home Companion | Cover | 1800.00 | 140 l. | 315.00 | | |
| World's Work | | | | | | |
| World To-day | | | page | 60.77 | | |
| Youth's Companion | | | 140 l. | 388.08 | | |
| | | 11,330.12 | | 4866.00 | | 825.75 |

ZONOPHONE advertising in the month ----- \$694.22

TALKOPHONE " " ----- 965.12

[ENCLOSURE]

MARCH, 1905.

| | VICTOR | | EDISON | | COLUMBIA | |
|-------------------------|----------|---------|----------|---------|----------|--------|
| | Space | Cost. | Space | Cost. | Space | Cost. |
| Ainslee's | | | | | | |
| Argosy | | | | | | |
| Asso. Sunday Magazines | | | | | | |
| Booklovers | Page | 116.87 | 1/2 page | 366.00 | Page | 116.87 |
| Christian Herald | | | | | | |
| Collier's | | | 1/4 page | 346.50 | | |
| Cosmopolitan | | | | | | |
| Delineator | | | | | | |
| Everybody's | Cover | 600.00 | | | | |
| Farm & Fireside | | | 140 l. | 245.00 | | |
| Farm & Home | | | " | 215.60 | | |
| Four Track News | | | Page | 79.46 | | |
| Goodhousekeeping | | | | | | |
| Gunter's | | | | | | |
| Harper's Monthly | | | 140 l. | 286.41 | | |
| Hearst Sunday Magazines | | | | | | |
| Ladies' Home Journal | | | 140 l. | 69.30 | | |
| Ladies' World | Page | 249.48 | Page | 374.40 | | |
| Leslie's Monthly | | | 140 l. | 33.11 | | |
| Life | Page | 374.40 | Page | 158.40 | | |
| McClure's | | | Page | 475.00 | | |
| Men & Women | Page | 475.00 | Page | 475.00 | | |
| Metropolitan | | | Page | 126.23 | | |
| Munsey's | | | | | | |
| National Magazine | | | | | | |
| National Sportsmen | | | | | | |
| Outing | | | | | | |
| Overland Monthly | | | Page | 40.00 | | |
| Pearson's | | | | | | |
| Popular Magazine | | | | | | |
| Red Book | | | Page | 112.20 | | |
| Review of Reviews | | | Page | 198.00 | | |
| Saturday Evening Post | 1/4 page | 350.00 | 1/4 page | 350.00 | | |
| Scribner's | Page | 225.00 | | | | |
| Smart Set | Page | 225.00 | | | | |
| Strand | | | | | | |
| Success | 16 in. | 418.88 | 1 Col. | 314.21 | Page | 200.00 |
| Sunnet | | | Page | 49.19 | | |
| Twentieth Century Home | | | | | | |
| Woman's Home Companion | 1/4 page | 386.00 | | | | |
| World's Work | | | | | | |
| World To-day | | | Page | 60.77 | Page | 118.80 |
| Youth's Companion | | | 140 l. | 388.08 | | |
| | | 3420.63 | | 3957.86 | | 435.67 |

ZONOPHONE advertising in the month ----- none.
 TALKOPHONE " " " ----- 796.56

[ENCLOSURE]

APRIL, 1905.

| | VICTOR | | EDISON | | COLUMBIA | |
|------------------------|----------|---------|----------|---------|----------|--------|
| | Space | Cost | Space | Cost | Space | Cost |
| Ainslee's | Page | 211.61 | | | | |
| Argosy | | | | | | |
| ASBO. Sunday Magazines | | | | | | |
| Booklovers | | | | | | |
| Christian Herald | | | 1/4 page | 346.50 | | |
| Collier's | | | | | | |
| Cosmopolitan | Page | 394.24 | | | | |
| Delineator | | | | | | |
| Everybody's | Cover | 600.00 | page | 420.75 | | |
| Farm & Fireside | | | 140 l. | 245.00 | | |
| Farm & Home | | | 140 l. | 196.38 | | |
| Good Housekeeping | Page | 170.00 | | | | |
| Gunter's | | | | | | |
| Harper's Monthly | | | | | | |
| Ladies' Home Journal | | | | | | |
| Ladies' World | | | | | | |
| Leslie's Monthly | cover | 560.00 | Page | 249.48 | | |
| Life | | | 140 l. | 69.30 | | |
| McClure's | Page | 374.40 | | | | |
| Metropolitan | Page | 158.40 | | | | |
| Munsey's | Page | 475.00 | Page | 475.00 | | |
| National Magazine | | | | | | |
| National Sportsman | | | | | | |
| Outing | Cover | 260.00 | | | | |
| Overland Monthly | | | Page | 40.00 | | |
| Pearson's | | | Page | 178.20 | | |
| Popular Magazine | | | | | | |
| Red Book | | | Page | 112.20 | Page | 112.20 |
| Review of Reviews | | | | | | |
| Saturday Evening Post | | | 1/4 page | 480.00 | | |
| Scribner's | Page | 225.00 | | | " | 225.00 |
| Smart Set | | | | | | |
| Strand | | | | | " | 200.00 |
| Success | 16 in. | 418.88 | 1 Col. | 314.21 | | |
| Sunset | | | page | 49.19 | | |
| Twentieth Century Home | | | | | | |
| Woman's Home Companion | 1/4 page | 386.00 | 140 l. | 315.00 | | |
| World's Work | | 118.80 | | | " | 118.80 |
| World To-day | | | Page | 60.77 | | |
| Youth's Companion | | | 140 l. | 388.08 | | |
| | | 4352.33 | | 3909.06 | | 656.00 |

ZONOPHONE advertising in the month-----none
TALKOPHONE " " " \$732.52

[ENCLOSURE]

MAY, 1906.

| | VICTOR | | EDISON | | COLUMBIA. | |
|------------------------|--------|---------|--------|---------|-----------|--------|
| | Space | Cost | Space | Cost | Space | Cost. |
| Ainslee's | | | | | | |
| Argosy | | | | | | |
| Asso. Sunday Magazines | | | | | | |
| Booklovers | Page | 116.87 | | | | |
| Christian Herald | | | 1/4 p. | 346.60 | | |
| Collier's | | | | | | |
| Cosmopolitan | | | | | | |
| Delinestor | | | | | | |
| Everybody's | Cover | 600.00 | page | 420.75 | | |
| Farm & Fireside | | | 140 l. | 245.00 | | |
| Farm & Home | | | " | 188.38 | | |
| Four Track News | | | page | 79.46 | | |
| Good Housekeeping | | | | | | |
| Gunter's | | | | | | |
| Harper's Monthly | | | | | | |
| Ladies' Home Journal | | | 140 l. | 256.41 | | |
| Ladies' World | | | | | | |
| Leslie's Monthly | Page | 249.48 | | | | |
| Life | | | 140 l. | 69.30 | | |
| Lippincott's | | | page | 55.00 | | |
| McClure's | Page | 374.40 | page | 374.40 | | |
| Metropolitan | | | page | 158.40 | | |
| Munsey's | Page | 475.00 | | | | |
| National Magazine | | | page | 126.25 | | |
| National Sportsman | | | | | | |
| Outing | | | | | | |
| Overland Monthly | | | | | | |
| Pearson's | | | | | | |
| Popular Magazine | | | | | | |
| Red Book | | | page | 112.20 | | |
| Review of Reviews | | | " | 198.00 | | |
| Saturday Evening Post | 1/4 p. | 480.00 | 1/2 p. | 450.00 | | |
| Scribner's | Page | 225.00 | | | | |
| Smart Set | Page | 225.00 | | | | |
| Strand | | | | | Page | 200.00 |
| Success | 16 in. | 418.88 | 1 col. | 314.21 | | |
| Sunnet | | | | | | |
| Twentieth Century Home | | | | | | |
| Woman's Home Companion | | | | | | |
| World's Work | | | | | | |
| World To-day | | | page | 60.77 | | |
| Youth's Companion | | | 140 l. | 388.08 | | |
| | | 3134.63 | | 3850.09 | | 200.00 |

ZONOPHONE advertising in the month-----none.
 TALKOPHONE " "-----\$1074.08

[ENCLOSURE]

JUNE, 1905.

| | VICTOR | | RDISON | | COLUMBIA | |
|------------------------|--------|---------|--------|---------|----------|--------|
| | Space | Cost | Space | Cost | Space | Cost. |
| Ainslee's | Page | 211.61 | | | Page | 211.61 |
| Army | | | | | | |
| Asso. Sunday Magazines | | | 14 in. | 349.25 | | |
| Booklovers | | | | | | |
| Christian Herald | | | | | | |
| Collie's | | | 1/4 p. | 346.50 | | |
| Cosmopolitan | | | | | | |
| polineator | | | | | | |
| Everybody's | Cover | 600.00 | Page | 420.75 | | |
| Farm & Fireside | | | | | | |
| Farm & Home | | | | | | |
| Good Housekeeping | Page | 170.00 | | | | |
| Gunter's | Page | 100.00 | | | | |
| Harper's Monthly | | | | | | |
| Ladies' Home Journal | | | | | | |
| Ladies' World | | | | | | |
| Ladies' Monthly | Cover | 560.00 | Page | 249.48 | | |
| Life | | | | | | |
| McClure's | Page | 374.40 | Page | 374.40 | | |
| Metropolitan | | | | | | |
| Munsey's | | | Page | 475.00 | | |
| National Magazine | | | | | | |
| National Sportsmen | | | | | Page | 40.00 |
| Outing | | | | | | |
| Overland Monthly | | | Page | 40.00 | | |
| Pearson's | | | " | 178.20 | | |
| Popular Magazine | | | | | | |
| Red Book | | | Page | 112.20 | | |
| Review of Reviews | Page | 198.00 | | | | |
| Saturday Evening Post | | | 1/4 p. | 450.00 | | |
| Scribner's | Page | 225.00 | | | | |
| Smart Set | | | | | | |
| Strand | | | | | Page | 200.00 |
| Success | | | | | | |
| Sunset | 16 in. | 418.88 | 16 in. | 418.88 | | |
| Twentieth Century Home | | | Page | 49.19 | | |
| Woman's Home Companion | 1/4 p. | 386.00 | 14 in. | 490.00 | | |
| World's Work | | | | | | |
| World To-day | | | Page | 60.77 | | |
| Youth's Companion | | | | | | |
| | | 3243.89 | | 4014.62 | | 451.61 |

ZONOPHONE advertising in the month-----none
 TALKOPHONE " " "-----none.

[ENCLOSURE]

TOTALS

| | VICTOR | EDISON | COLUMBIA | ZONOPHONE | TALCOPHONE |
|----------|------------------|---------------------|--------------------|------------------|-------------------|
| January | \$11,330.12 | \$4866.00 | \$ 825.75 | \$ 694.22 | \$ 985.12 |
| February | 7,397.71 | 4269.29 | 1561.23 | 374.20 | |
| March | 3,420.63 | 3957.86 | 435.67 | | 796.56 |
| April | 4,352.33 | 3909.06 | 656.00 | | 732.52 |
| May | 3,154.63 | 3850.09 | 200.00 | | 1074.08 |
| June | 3,243.89 | 4014.62 | 451.61 | | |
| | <u>32,879.21</u> | <u>\$ 24,866.92</u> | <u>\$ 4,120.26</u> | <u>\$1068.42</u> | <u>\$5,588.28</u> |

WPC

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHERMERHORN,
ASSISTANT GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
TREASURER.
EDGAR W. DENNISON,
SECRETARY.



NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 WARASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE DETAILS.

CABLE ADDRESS
ZYNOTIC, NEW YORK

J. R. S.

Orange, N. J.

July 14, 1905.

Mr. J. F. Randolph,
Orange, N. J.

Dear Sir:-

Beginning July 1, 1905, a Department, known as the Commercial Department, was organized for the purpose of instituting an aggressive campaign for the sale of the Edison Business Phonograph, under the general style of the Edison Commercial System.

It will be sold direct by the National Phonograph Co., through the Commercial Department, to which all correspondence should be addressed, and which will furnish all information as to prices, etc. It will not be sold through the trade.

The Commercial Department will be in charge of Nelson C. Durand, as Manager, with C. L. Hibbard, as General Superintendent. Offices have been leased at 31 Union Square, (3rd floor, Bank of Metropolitan Building) New York, which will be so equipped as to thoroughly demonstrate the system.

Yours very truly,

J. R. Schermhorn
Asst. Gen. Mgr.

JRS/RED

WBG

July 20, 1905.

Mr. Peter Bacigalupi,
San Francisco, Calif.

Dear Sir:-

The matter of the situation and conditions on the Pacific Coast has been having my most serious thought for a great many months past, but in order to know exactly how matters were going, I had a full report made as to what you were doing in the so-called territory, which we have allowed you to handle, so far as we are concerned, but without preventing other jobbers from selling to dealers or to users therein.

The States that have heretofore been handled by you, as I understand it, are as follows: Washington, Oregon, California, Arizona, Nevada and Idaho, and you also, or did up to last Fall, have Montana, Wyoming, Colorado, west of the Rockies, and New Mexico.

Now we have never made any objections to the manner in which you have handled this territory, but to my way of thinking you have never pushed our lines to the extent that I consider necessary. Of course, your answer will be that I limited you as to credit, but the fact remains that your credit was never limited, and at times you have owed us upwards of \$50,000.

I have been looking up your business for the fiscal year ending March 1, 1905, and find that it amounted to about \$95,000., or say \$8,000 per month. Now this will never do, as from information that we have gained from different sources, we find that our competitors are

doing an enormous business in that territory. I am advised on reliable authority that Sherman Clay, who are the Victor distributors for the Pacific Coast, have been doing a business right along with them of from \$20,000 to \$30,000 per month, and, considering the fact that our goods are selling elsewhere as well, and in a great many cases better, I cannot understand why we should continue the arrangement in all of this territory under present conditions.

The reason that we have decided to pay the freight is so that we can increase our business west of the Mississippi River.

Our records indicate that you have installed dealers in the States mentioned as follows: Washington 30; Oregon 30; California 165; Nevada 4; Idaho 3 Arizona 8, making a total of 240. This may vary a trifle either way, but no matter. Now you know yourself that this is simply absurd.

Now to get down to facts. What we propose to do is to instal at least one good jobber in the largest cities, such as Seattle, population 81000; Spokane, population 37,000; Tacoma, population 38,000; Portland, population 90,000, and Los Angeles, population 102,000.

As you know, we have been approached repeatedly by people, and large people to in the largest cities, to take up the jobbing line, but in all cases we have protected you in every way, but we have got to a point that we must do something, and we cannot continue to allow the present conditions to exist. Our enemies are simply laughing at us, and when it comes to a point that they make a laughing stock of me I wake up most decidedly and do something.

I want to begin right here, but before I say a word I want to know what you have to say for yourself. Instead of doing a business of \$95,000 per annum, we should be doing a business of not less than \$200,000, but nearer \$300,000 per annum.

Bacigalupi

3

Now you have got to look at this thing from a strictly business standpoint, and you must give us an opportunity to have our Edison goods thoroughly represented in the territory before mentioned, so think it over carefully, and let me hear from you at your earliest convenience.

Another thing, you have been giving too much attention to the penny slot business. Of course, I realize it is a money making business, but at the same time you cannot operate this to the disadvantage of our business, and to my mind this is exactly what has been taking place for a number of years past.

Yours very truly,

President.

WEG/ERD

W. H. GILMORE,
PRES. AND GEN. MGR.
A. H. RECHENBERGHOFF,
ASST. GEN. MGR.

J. P. RANDOLPH, TREASURER.
EDGAR W. DENNISON, SECRETARY.

COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

MANUFACTURING AND INSTALLING
APPLIANCES FOR THE

EDISON COMMERCIAL SYSTEM

CONNECTED WITH THE

BUSINESS PHONOGRAPH

TRADE MARK
Thomas A. Edison.

CABLE ADDRESS
"SYNTHETIC, NEW YORK"
NEW YORK OFFICE
311 UNION SQUARE

NEW YORK, July 24, 1905

Mr. W. H. Gilmore, President,

Orange, New Jersey.

Dear Sir:-

Attached please find a communication addressed to Mr. Edison, by Bishop Vincent, founder of Chautauque, and transcribed on the Edison Business Phonograph.

While these communications may not always be interesting to Mr. Edison, still I trust you will fully understand that it is business for me to have important persons witness our demonstration of the Business Phonograph, and their address to Mr. Edison is always a very attractive proposition, which secures their attendance.

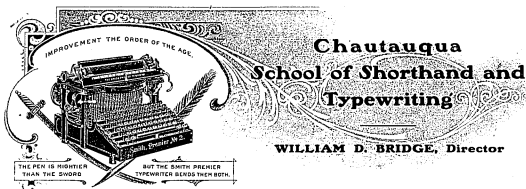
Yours very truly,

NATIONAL PHONOGRAPH CO.
Commercial Dept.

Alfred S. Grand
Manager,



[ENCLOSURE]



IMPROVEMENT THE ORDER OF THE AGE.

**Chautauqua
School of Shorthand and
Typewriting**

WILLIAM D. BRIDGE, Director

THE PEN IS HIGHTER
THAN THE SWORD

BUT THE SWORD PREHIER
TYPEWRITER SENDS THEM BOTH.

Small, Portable No. 2

Chautauqua, N. Y.,

July 22, 1905.

Mr. Edison:

It seems as if I had a chance to talk with you, and don't have to speak any louder than when I am present with you. I have just been looking into your Business Phonograph. It is a wonderful invention; I have a great mind to order one for myself. It would save me a great deal of time, and is invaluable to all business men.

Remember me to Mina and the children, and believe me

Very truly yours,

John H. Vincent.

NEW 100 3-20-10-24

WHOLESALE, EXPORT, RETAIL



PROJECTING MACHINES
FILMS
SLOT PIANOS
PIANINOS
PIAN-ORCHESTRA
MINIATURE RAILWAYS
MERRY-GO-ROUNDS
ALL KINDS OF
COIN-CONTROLLED
MACHINES

Marks



RECEIVED
JUN 27 1905
840 MARKET STREET
805 KEARNY STREET
605 K ST. SACRAMENTO

TELEPHONE OFFICE AND BILLING ROOM:
MAIN 5464 786-788 MISSION ST.



SAN FRANCISCO July 27th, 1905.

Mr. W. E. Gilmore
Orange, New Jersey.

Dear Sir:-

I am in receipt of your letter of the 20th inst.

and I feel very much grieved to think that you are of the opinion that I have not pushed the Edison article to the extent that you consider necessary. I am sure, Mr. Gilmore, that no man under the same circumstances could have done more than I have.

You have just discovered that the freight rates have been a handicap for our doing business in Montana and Idaho, and you can add to this the very expensive cost of sending a traveling man through these parts. My very limited profit on your goods has at all times prevented my traveling this country as it should be done.

Our competitors give larger discounts than you do so as to cover these expenses, you know this as well as I do. It will be hard lines on me if you were to withdraw Montana and Idaho from me now that you have established the paying of freight, which would give me a chance to do some business, which opportunity we

DON'T FAIL TO VISIT THE EDISON EXHIBIT AT THE LEWIS & CLARK FAIR AT PORTLAND, ORE.

W.E.G.--2

never had before.

I read between the lines that you have been visited by Mr. Graves of Portland. Here is a man, Mr. G., who I have nursed and kept in business and now he is like the dog that has been nursed and fed and relieved of a thorn in his foot that turns around and bites the party who is his benefactor. I am sure if you were to make him a jobber in Portland it would not increase your business, but would increase his discounts for retail business and will do us the injury of taking away a good customer. I do not think you want a jobber there just now.

I have placed in business and nursed along, a good competitor to Graves, his name is Hyatt, and this gentleman handles only Edison goods. This makes Graves walk a chalk mark and he does not like it. Your making Graves a jobber would put Hyatt out of business and Graves would continue to sell the Talk-o-phone and other machines much to the detriment of the Edison article.

As far as Seattle is concerned, I have two very good dealers there who make each other handle our goods and I make a little profit on these dealers which helps to keep me going, for God knows the profit I make on your goods is small enough.

Now you hit a tender spot when you talk of putting a jobber in Los Angeles. I have two good dealers there who do a very fine business. One of them is the Edison Talking Machine Co., who handles the Edison article exclusively. I think I can handle Los Angeles from here besides what trade could a Los Angeles jobber do that cannot be done from here? They would have no territory at all and would simply have their discounts increased.

Arizona I do not care for as the freight to that place is very high and traveling expenses in comparison, although if you pay the freight we may be able to do something there. You have taken away Wyoming, Colorado and New Mexico which I do not object to as I

W.E.G.--5

know you can handle them better than we can. You certainly ought to leave me Washington, Oregon, California, Nevada and Idaho, with this territory I would be satisfied and with freight facilities we could do a better business. Do I understand that you have taken away Utah?

Now a few words about Sherman & Clay, you remark that you have positive information that they do from \$20,000 to \$30,000 worth of business per month. This I have known for sometime but never mentioned it to you as you have never considered them competitors. Now that you have taken their competition into consideration, I am glad to know that you feel that they are strong competitors. I have for a long time been doing a better business than Sherman & Clay for they have devoted their time almost entirely to a retail business, ignoring dealers and putting obstacles in the way of dealers. This has been put a stop to in a very nice businesslike manner by the Victor people who sent out a traveling man, at their expense, who visited the Coast, doing business and turning it over to Sherman & Clay, thus obliging them to establish dealers and increase their own business.

Now don't you think it would be a good plan to send a traveling man, at your expense, to do up the territory of Arizona which has never been done up? He could at the same time do up Texas, for your jobber there, giving us the benefit of the business he gets in Arizona, and while he is out he might also travel through Nevada and Idaho for our benefit and Montana, Wyoming, Colorado and New Mexico for the benefit of your other jobbers. I am sure the mission any work of this kind would be very beneficial to you in increasing the business, and you can rest assured that any business obtained in this way would be kept up by us.

My present profit does not justify me in having this territory traveled in this way. My profit is small to say nothing of the bad accounts I make.

W.E.G.--4

I am proud to say that I am confident from what I hear from traveling people in the business who come here from the East, that I have got the best establishment devoted to the Talking Machine Business in the United States. This has cost me a mint of money in fitting it up, putting up shelves, signs and advertising and I am now paying \$550.00 per month rent and elevator service. I don't think anybody can make a better showing in the business in the United States. Am I right?

You are wrong in having the impression that I have devoted most of my time to the Penny Slot business. This business runs itself. I am never there in the day time and only loaf around at night. My Penny Arcades are in the hands of people whom I trust and are running themselves. You will please remember, Mr. Gilmore, that you told me when I went riding with you in your Automobile to Newark that I would be a B.F. if I did not go into the Penny Arcade business. Please remember that I tried to borrow \$3000.00 from you to go into the business. You know that I am a sincere follower of your mode of doing business, and like yourself I am a plunger - I took your advice and plunged to ^{the} heck in the Penny Arcade business. In the start I made big money which encouraged me so I opened a place in San Jose, Sacramento and Oakland. All of these made big money for a month or two and then dropped off so that I have had to close them all. In Sacramento I have to pay \$150.00 per month for four months more for an empty store. My large Penny Arcade on Market Street is not making money and the smaller one on Kearny St., in the Latin quarter, is just sustaining itself. So you see the Penny Arcade business is on the bum as far as I am concerned. All I had to do was to show the people the road, as a result there are four Penny Arcades in my block on Market St., which means that none of us are making any money. If there was but one it might make a good showing.

I hope you will leave this matter open until I come East as we can talk things over much better than we can write. I can hardly afford to come East this year, so if there is any transportation laying around lose in your office I can use it. It seems to me that if I did \$95,000 worth of business in the fiscal year ending March 1st that it ought to be a good showing when you consider the fact that I am handicapped in the country where large towns are few and far between, railroad transportation exceedingly high and freight even prohibitory.

If we understand it right that you are going to pay freight everywhere in the United States it will give me a better chance to make a good showing in the next year and I would hate to have you cut off my territory, with the exception, as I have said before, of Arizona, which is hard to handle unless a traveling man was sent through this territory at your expense. Freight to Arizona has simply been out of the question, this you will find out for yourselves when you have to pay it.

You must remember, Mr. G., that out here there are not so many towns of size and importance as there are in the East. They are far apart and it takes a lot of money to travel from one to the other. I am doing all the business that can possibly be done here and in Los Angeles as far as California is concerned, and these two towns really are California. If you will give me a chance I feel sure that I will make a showing that will please you for the next year.

I had a visit from your Mr. A. V. Chandler, who is with wheather Mr. Nesbit in Chicago, he can tell you ~~that~~ I have got the best establishment for the Talking Machine Business, or not. We are constantly complimented by Eastern people on our fine establishment that is devoted to the Edison Talking Machine business, and I am sure if you were to see it you would pat me on the back instead of scold-

W.E.C.--6

ing me.

The Victor is not the only competitor we have to contend with although it is the most formidable. The Columbia Co. have out all kinds of scheme machines which make them sell records, but I do not mind them much. Now we have a new competitor in the shape of the Talk-o-phone, as you will see by the cutting which I enclose you they have gotten up a scheme with the Chronicle, which is one of our leading papers, and I understand it has been the result of their disposing of over 2500 machines in the last three weeks. These machines go out to the public and increase the sale of records for the Victor, Columbia and other competitors.

I had a call sometime ago from a man representing the Great American Tea Company. He came to me in order to make arrangements to purchase machines for one hundred stores all along the Coast, and of course I had to decline selling them to him as they were intended for premiums. I never tell you these things as I know you are a busy man and know these things as well as I do, but I cannot help reminding you of the many handicaps we have to contend with in handling the Edison product. You see this Tea Co. has made arrangements with the Talk-o-phone people and now have their machines in all their show windows on the Coast. We could have had this order as the manager preferred the Edison machine. Have you have any idea of making a scheme machine?

Of course, I understand your interest in a larger business and I am willing to do all you ask me to push the business. You sometime ago spoke to me about buying out my business and good will. Have you entirely dismissed that from your mind? I have worked hard as you know and I would hate to see the business slip away from me entirely without having some remuneration for my hard and continuous labor. I know that you will at all times do the right thing for me and I have no great fears on that score. This we can also talk over

when I come East.

Talking about Graves, I would like to tell you in confidence that when I was in Portland on one of my trips he took me out in his Automobile (a ancient sort of a trap he has) and while on this ride he offered to make me a present of \$1000.00 and give the Victor Company a cash order for \$5000.00 worth of goods if they would make him a jobber. I think that my connection with Leon made him of the opinion that I could assist him in securing this. I told Leon on my return to San Francisco and he only laughed at it. Graves has incurred the displeasure of Sherman & Clay and they will do anything to prevent him from becoming a Victor jobber. He went to Philadelphia and was entertained there royally by the Victor people also in Camden, but has returned to Portland without being a Victor jobber and it is my impression that he could not get to be one.

I wish to call your attention to the remarks I made to you about the increased business of Sherman & Clay caused by the Victor Company's traveling man. You will notice by looking over their list that no extra jobbers have been made on the Coast, therefore, Sherman & Clay get the full benefit of the traveling man's work which costs them nothing and has increased their business fabulously. The only jobber that they have established on the Coast is at Spokane.

Now in Spokane we have a splendid dealer, Foster & Foster. I will hand you a little statement of the business they have been doing. I nursed these people from Everett, Wash. where I put them in business, boosting them and giving them plenty of credit and taking big chances which I would have to make good myself. They are doing such a fine business that another house has taken up the handling of our goods. If you were to make a jobber there now you would kill them both.

W. E. G. ---8

Has it ever struck you that the discount the Victor people gives their jobbers leaves them a margin of profit which justifies their doing some judicious advertising besides paying for their freight? Please study their discounts and yours and you will see that the Victor jobber can make money selling wholesale where the Edison jobber makes no profit at all and cannot afford to advertise.

Should you send a traveling man on my suggestion, at your expense, would you have any objection to his working up dealers for me in California besides the other territory mentioned, the same as the Victor traveler has done for Sherman & Clay?

The following statements will give you an idea of amount of business I have done with the principal places you are thinking of taking away from me:

NATL. GOODS BOUGHT BY GRAVES & CO., PORTLAND, ORE.
(Is a Talk-o-phone Jobber sells Columbia and Victor)

| | | |
|--------------|-------|----------|
| 1904 August | ----- | \$216.63 |
| September | ----- | 686.12 |
| October | ----- | 833.41 |
| November | ----- | 974.97 |
| December | ----- | 236.54 |
| 1905 January | ----- | 1134.60 |
| February | ----- | 253.58 |
| March | ----- | 586.45 |
| April | ----- | 289.96 |
| May | ----- | 802.11 |
| June | ----- | 202.53 |
| July | ----- | 264.21 |

\$6261.10

NATL. GOODS BOUGHT BY E. B. HYATT, PORTLAND, ORE.
(Deals in Phonographs and nothing else)

| | | |
|--------------|-------|----------|
| 1904 August | ----- | \$444.10 |
| September | ----- | 236.73 |
| October | ----- | 387.07 |
| November | ----- | 739.69 |
| December | ----- | 237.24 |
| 1905 January | ----- | 503.95 |
| February | ----- | 713.69 |
| March | ----- | 489.84 |
| April | ----- | 61.69 |
| May | ----- | 203.75 |
| June | ----- | 212.39 |
| July | ----- | 47.28 |

\$4269.42

NATL. GOODS BOUGHT BY FISKE & CO., LOS ANGELES, CAL.
(Dealers in Sewing Machines & Phonographs)

| | | |
|--------------|-------|---------------|
| 1904 August | ----- | \$493.48 |
| September | ----- | 273.71 |
| October | ----- | 220.91 |
| November | ----- | 282.95 |
| December | ----- | 1420.81 |
| 1905 January | ----- | 112.81 |
| February | ----- | 365.50 |
| March | ----- | 278.06 |
| April | ----- | 184.03 |
| May | ----- | 458.91 |
| June | ----- | 151.56 |
| July | ----- | <u>220.37</u> |
| | | \$4473.12 |

NATL. GOODS BOUGHT BY EDISONIA TALKING MACH.CO., LOS ANGELES.
(Handles nothing but Edison Phonographs)

| | | |
|--------------|-------|----------------|
| 1904 August | ----- | \$1349.26 |
| September | ----- | 445.79 |
| October | ----- | 425.61 |
| November | ----- | 1610.23 |
| December | ----- | 2154.22 |
| 1905 January | ----- | 482.12 |
| February | ----- | 629.32 |
| March | ----- | 741.43 |
| April | ----- | 838.35 |
| May | ----- | 1451.04 |
| June | ----- | 541.42 |
| July | ----- | <u>1154.00</u> |
| | | \$11823.89 |

NATL. GOODS BOUGHT BY FOSTER & FOSTER, SPOKANE, WASH.
(These people handle nothing but Phonographs)

| | | |
|--------------|-------|---------------|
| 1904 August | ----- | \$ 197.78 |
| September | ----- | 374.02 |
| October | ----- | 180.44 |
| November | ----- | 1159.17 |
| December | ----- | 504.87 |
| 1905 January | ----- | 845.99 |
| February | ----- | 375.78 |
| March | ----- | 310.94 |
| April | ----- | 632.50 |
| May | ----- | 497.78 |
| June | ----- | 194.04 |
| July | ----- | <u>330.30</u> |
| | | \$5585.61 |

NATL. GOODS BOUGHT BY EILERS' PIANO HOUSE, SPOKANE, WASH.
(These people use Phonographs as a side line)

| | |
|--------------|----------|
| 1904 August | \$159.11 |
| September | 46.20 |
| October | 283.54 |
| November | 288.53 |
| December | 402.73 |
| 1905 January | 105.55 |
| February | 280.62 |
| March | 154.17 |
| April | 324.31 |
| May | 168.16 |
| June | 110.54 |
| July | 87.48 |

\$2391.54

NATL. GOODS BOUGHT BY D.S. JOHNSTON CO., SEATTLE, WASH.
(Handle all kinds)

| | |
|--------------|----------|
| 1904 October | \$150.00 |
| November | 47.69 |
| December | 360.76 |
| 1905 January | 468.36 |
| February | 552.89 |
| March | 525.59 |
| April | 386.35 |
| May | 296.80 |
| June | 863.20 |
| July | 76.47 |

\$2628.11

NATL. GOODS BOUGHT BY LOWMAN & HANFORD, SEATTLE, WASH.
(They sell all kinds of goods)

| | |
|--------------|----------|
| 1904 August | \$751.97 |
| September | 163.12 |
| October | 243.45 |
| November | 1106.95 |
| December | 953.36 |
| 1905 January | 153.14 |
| February | 563.68 |
| March | 394.15 |
| April | 838.21 |
| May | 58.58 |
| June | 181.85 |
| July | 492.12 |

\$5320.53

R E C A P I T U L A T I O N

\$ 6261.10
4259.42
4475.12
11823.89
5585.61
2331.54
3628.11
5820.53
\$44245.32

This is a very important part of my wholesale trade, and it certainly would cripple me if you take it away, to say nothing about the \$12,000 a year you have taken away from me for Australia.

Please do not forget that I could have been on the ground floor of the Victor boom had I not at all times remained loyal to the Edison.

I hope you will pardon my taking up so much of your valuable time, but this is a very important matter to us both and I think I have gone over the ground without repeating too much of the matter which you are already acquainted with. I know you are a man who will appreciate past services and will do me full justice. I am ready to sell out my business if you want it, or I will continue to give you the full benefit of my services endeavoring to make as good a showing as any one man could on the Pacific Coast.

I will try to go East, where we can talk these matters over fully as soon as I can get away. The people whom I beat in the Superior Court are talking about compromising, and my lawyer tells me that he does not think they will appeal to the Supreme Court. I cannot afford to pay more than \$850.00 per month for the Market St. store and I am hanging fire awaiting their decision. My present lease runs out September 30th and I would not to

W.E.G.--12

go East leaving this unfinished.

Yours very truly,

A handwritten signature in cursive script, appearing to read "W.E. Gladstone", written over a horizontal line.

P.S. I am pleased to inform you that we have finally succeeded in compromising for the erection of the booth at the Exposition at Portland, for the sum of \$354.65, including lawyer fees and other expenses. I certainly trust you will approve of this.

Webb's records
look into this
& answer this
letter soon
Edison

Long Beach
Edison



I don't know
how to get it out
of the book. I saw a
man named Gato who had
made an attachment to an Edison
phonograph which changes the
records automatically up to a
certain number (his machine does
six) and I never saw any thing
work ~~clicker~~ clicker - it was
a "dandy" - He (Gato) told me
he had sent you a photograph
of it and would like to have
you take it up. I don't think

What if anything has been done
in this line? But if some of
me or would do some of
and the thing down I
think you would at least
think if you would like to
look into it as I think Mr
Gato would be glad to go
over to see you and probably
would ship the machine to
Gato has a great reputation
as a clock as an inventor of
complicated automatic machinery
I have seen some of his work
Will you let me know about this
Yours truly R.H. Thomas

N 60

SHEET No. DATE.
COPY

NATIONAL PHONOGRAPH CO. TO

AUG. 8, 1900

Mr. Cantor
Please file
8/16/00

Mr. R. H. Thompson,
Prince & Concord Strs., Brooklyn, N. Y.

Dear Mr. Thompson:-

Mr. Edison has referred to me your letter to him of July 29th, with reference to an attachment for the Phonograph gotten out by a man by the name of Gates, of Norwich, Conn. This particular attachment is not at all new. A number of people have gotten up machines suitable for operating from six to a very much greater number of records; the results commercially have never proven satisfactory. A concern in Michigan has a machine of this kind, in which about twenty four records are arranged on a cylindrical frame, which can be turned to any one of the records, and the record itself then plays. They are not having any great success with it. We knew the particular attachment that you refer to, but have never gone into this much, as our customers in the slot machine business do not care for it, but prefer to operate the single machine changing the records themselves. In fact, they have always objected to a machine that would operate more than one record. In view of the above, I do not think you would care to have us bring Mr. Gates on here with this apparatus; as, of course, if anything was done it would have to be done through another company to exploit the invention, as we do not operate machines of this character, but simply manufacture and sell them to others who do the exploitation.

Very truly yours,

signed W. E. Gilmors.

President.

660 P. Y.

Aug 9/05

Mr. Peter Bacigalupi,
786 Mission Street,
San Francisco, Cal.

Dear Sir:-

I am in receipt of your favor of July 27th, which I have read over most carefully. I never understood that there was any handicap in your securing business in Montana and Idaho due to freight rates. I do not know, however, what the freight rates are from San Francisco to different cities in Montana and Idaho. The truth is that we do not allow freight rates to dealers anywhere, although we do allow it to Jobbers. This is where we endeavor to protect the Jobber, and, as an inducement for him to push the dealers' trade, we naturally expect to take care of him (Jobber) by giving him delivery. I realize that this is going to be very expensive, but, nevertheless, I am considering the "bitter as well as the sweet", and this very matter has been under discussion for over a year. You say that our competitors give larger discounts so as to offset the freight expenses. I presume that you refer to the Victor people. I do not think that the additional discounts that they allow will go very far towards offsetting the freight. In any case, I imagine that they will have to change it now, if they want to do business in the far west. I do not see how the paying of freight into Montana and Idaho to their Jobbers will affect you. If you think that we intend to allow freight to any and all dealers that you may have established in these and other western states, you are entirely mistaken, as it is not our intention so to do.

So far as Mr. Graves is concerned, he did not call on us when he was east, and endeavored to make some arrangement to take up the Jobbing end in Portland, Oregon. We refused, however, to consider the proposition. I do not think it fair that you should criticize him in the way that you have, in view of the amount of business that he has done with you. However, I do not propose to go into any discussion with you as to this. I must differ with you absolutely as to the statement that another Jobber in Portland would not be beneficial to our business.

So far as Los Angeles is concerned, I am not inclined to put a Jobber in Los Angeles at present in view of your statement, but I still think that Los Angeles is located so far from you that a good Jobber there would be a benefit rather than a detriment to the Edison business.

Now in regard to Sherman & Clay, I was simply astounded when I was advised of the amount of business that they were doing on the Coast, and to think that we were doing such a small business in comparison is what nettled us particularly. If you were acquainted with the fact that they were doing any such amount of business, it would seem to me that you should have given our business as a whole some consideration. The further fact that their principal business has been retail rather than wholesale makes it even worse, as I assumed, of course, that they had been doing a large business with dealers, which enables them to pay the Victor people the amounts of money which I indicated in my letter to you. I was aware of the fact that the Victor people intended to curtail their arrangement and, of course, this is going to increase the business of the Victor Co.

This is exactly what I want to do, i.e., as to the business of this Company, but, in order to do so I have got to have a free hand to go into the different states and cities enumerated in my letter of July 20th to get the business.

As to the territory of Arizona, this will all come along in good time. So far as Texas is concerned we have been doing exactly what you indicate within the past year, and with successful results indeed. We feel that by following the same tactics in the far western cities and states, we will be able to build up a business of not \$95,000. per annum, but in the neighborhood of \$300,000. per annum.

I cannot understand why it is that you continue to harp upon the small profits that you make in trading with dealers. You are one of 135 Jobbers that we have on our books located all over the United States, and these same Jobbers appear to be making money, else they would not continue the line, and they continue to add dealers right along. These Jobbers are in the same category as yourself; have extreme competition in every case, and yet they do a large business with us. A certain Jobber in New York State, with all the competition that he has to meet, has done close to \$90,000 worth of business the last year. Another Jobber in New York City has done more than \$95,000 last year. Take in Boston, where we have a number of Jobbers, some of them are doing a business equal to yours. I could go on enumerating others, but it is unnecessary.

The fact that you have been the only Jobber on the Pacific Coast for so many years would seem to indicate that you required some stirring up, and the only way that we can stir you up is to put some competition in the field with you. We have always found that it pays to do so. I do not say that you are going to die of dry rot, but the fact remains that you are not doing the business that you should, and it is our intention to get our share of the business in that territory.

Now a word as to the penny slot business. At the time I discussed this with you, going down to Newark on the automobile, I discussed it for your benefit. You wanted to take up this line as you considered it a money maker. I told you what other people were doing, and I only advised you for your own good, but this does not enter into the question of the business that we should do in the selling of phonographs and records. My opinion is that the slot parlor business has been given the preference to the detriment of the general phonograph business. I am very much surprised to learn that this is not a success; I cannot understand it. There are more parlors opening to-day than ever before, and they are all making money. The Marks & Wagner crowd are now opening parlors abroad, so that they must think pretty well of it.

The matter is too important, however, to leave until you come east. In fact, we have about decided that we will take steps at once to push our goods in that section, and it is my intention to send Mr. Wilson out within the next 30 days, so as to look over the territory very thoroughly and arrange for the installation of Jobbers in such cities as we may designate.

Now it is not our intention that you should be ignored entirely in this matter, so that we are willing to make you the proposition to pay you two and one-half (2-1/2%) percent, on all the business that we may do direct with Jobbers in the different states on the Pacific Coast, such arrangement to continue for one year from the date of the placing of the first Jobber's order, and a further consideration that it is not our intention to place another Jobber in the State of California for the same period of time.

You say that you have been "handicapped in the country where large towns are few and far between, etc. etc." Now this is exactly what we are after. We find that dealers are beginning to realize that the smaller towns can do a great deal of business for us, and we find further that by sending our salesmen into these smaller towns we have little if any trouble in installing new dealers to the benefit of the trade as a whole. I know perfectly well that the Pacific Coast States cannot differ from other parts of the United States, and all kinds of people; tradesmen, farmers, workmen, etc. etc., have plenty of money and are willing to spend it for anything that will interest them.

So far as the scheme business is concerned, we are turning this down every week. Only recently a proposition was made to us by one of the largest insurance companies, but we refused to consider their offer. I realize that the business will go to a competitor, but let them go into it; we do not want it.

As to buying out your business, I gave this matter up after your last visit here, for the simple reason that you did not seem to accept it in the spirit in which it was given. I simply dropped it. I do not see why you should sell out a good business. You have surely been making money, and why you should give up a good business I cannot for one minute understand.

Some little time must elapse, of course, before Mr. Wilson can get out, as above indicated, but we have made up our minds that we are going to get a larger portion of the talking machine business on the Pacific Coast, and you have ample time to make a full reply to this communication although the fact remains that we cannot be considered as absolute outsiders any longer.

Trusting that you will let me hear from you at your earliest convenience, I am,

Yours very truly,

President.

FIRST WEEKLY

REPORT TO THE PRESIDENT

August 13, 1906,

by

NATIONAL PHONOGRAPH COMPANY
Commercial Department.

In this first report it is proper to briefly review the work done prior to the organization July 1, 1905; Mr. Hibbard sustained for a number of months seventy (70) Edison Business Phonographs and eight (8) shaving machines, in eleven different offices. All of these machines have given good satisfaction, as shown by the fact that seven (7) of the eleven (11) firms have paid for fifty (50) phonographs and six (6) shaving machines, at the full list price, leaving only four (4) concerns to pay for twenty (20) machines. These outstanding accounts will be adjusted by the 20th. inst. on the same basis, no doubt.

Since July 1st. this Department has installed seventeen (17) Phonographs and five (5) shaving machines in twelve offices. Only three (3) concerns ordering four machines required the appliances to be put in on trial and the balance were direct orders for immediate payment. It is very satisfactory to note that the Prudential Insurance Company and the Metropolitan Insurance Company, both large concerns, employing several hundred typewriters, gave us renewal orders for two machines each, to be placed in their Correspondence Department. We expect to push this class of sales very rapidly.

You will be interested to note that all of the Photographs have been taken and the illustrations completed for our new catalogue. We expect to publish this catalogue in about two weeks and will then be in a position to sell out-of-town concerns, who require instructions for operating.

The organization of this office will be completed on September 1st. At that time we expect to have with us Mr. Elliott of the New York Edison Company, as District Manager of New York City, also Miss Mabel Brown, late of the Smith Premier Typewriter Company, who will take charge of our Employment Bureau. We now have a complete card system installed for all parts of business, so that the work from the start will be properly recorded.

Everything that can be done for the Business is being rapidly pushed and we are canvassing in the city for prospective customers, putting in trial installations when we interest them.

Respectfully,



Manager.

[ON BACK OF PRECEDING PAGE]

FIRST WEEKLY

REPORT TO THE PRESIDENT

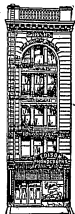
August 13, 1905

by

COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH COMPANY.

HOW TO ORDER

WHOLESALE, EXPORT, RETAIL



PETER BAGIGALUPI

PHONOGRAPH AGENCY

WEST COAST HEADQUARTERS FOR PHONOGRAPHS RECORDS & SUPPLIES

PENNY ADDRESS: 840 MARKET STREET
808 KEARNY STREET
605 K. ST. SACRAMENTO

TELEPHONE: MAIN 2464

OFFICE AND SALESROOM: 786-788 MISSION ST.



PROJECTING MACHINES
FILMS
SLIT PIANOS
PIANINOS
PIAN-ORCHESTRA
MINIATURE RAILWAYS
MERRY-GO-ROUNDS
ALL KINDS OF COIN-CONTROLLED MACHINES

Mr. W. E. Gilmore,
Chicago, Ill.

My dear Mr. Gilmore:

Your letter of the 9th inst. is before me, this and yours of the 20th inst. have certainly come as a great bomb-shell in my camp and have had the effect, as you say, of stirring up everybody connected with me.

I am very glad that you are going to send Mr. Wilson out here. This will be the first time in seven years that anybody from the Company has been here, with the exception of once when Mr. Walter Miller spent a week with us making Chinese Records. You certainly have reposed complete confidence in me, and I hope you do not think for a moment that I have failed in my duty and obligations to you. On the arrival of Mr. Wilson I will be able to go over with him, in a complete manner, the situation of the country which I must insist is different from what you are accustomed to find in the East. He will find this out for himself and be able to report to you on his return.

If I may be allowed to suggest, I think it would be the best plan for him to come by way of Arizona and Los Angeles

DON'T FAIL TO VISIT THE EDISON EXHIBIT AT THE LEWIS & CLARK FAIR AT PORTLAND, ORE.

and from here he could go North, after having thoroughly gone over matters here.

As I have stated before I would regret to lose Oregon and Washington, which are very good territories and better than California, but I must bow to the inevitable and am entirely in your hands.

One thing, however, I cannot understand, and that is why you should say you 'dropped the matter of buying me out because I did not take it up with you in the spirit in which it was given.' As far as I can remember our conversation on the matter was that you could take the business anytime you wanted but would not do so, although you might eventually entertain a proposition to buy me out. I replied as I have done on many occasions, that you could have the business anytime you wanted it, knowing full well that I would get justice at your hands.

It always has been in my mind that you would want San Francisco for a distributing point, and I have looked forward for a very handsome salary from you as its Manager and I hope I have not done anything to displease you on this subject.

Sherman, Clay people have been compelled to sell goods to Furniture Companies and scheming people owing to customers having been secured for them by the Victor Company's travelers. You have never sent any travelers here to help me and I have always had to help myself. Before the Victor people sent traveling men out here Sherman & Clay were doing a business of from \$7000.00 to \$9000.00 per month, and I was doing the same if not better. They did not cater to dealers and I did. They have now been obliged to sell to all kinds of trades people and I am going to do the same, except that I am handicapped for scheme goods, besides Victor Records at \$2.50 and \$1.00 each net go into money quicker than ours at 17¢, to say nothing

W.E.G.--3

of their \$100.00 machine which is a great seller.

Have just closed with the Grand Rapids Furniture Co., of this City. They are large buyers of Victor and Columbia goods, and will try to get others of the same class. Heretofore I have avoided selling to this class of trade as I was of the idea that you did not care to have the Edison goods peddled around the same as the Columbia product. Now I will branch out and get all kinds of people to handle our goods which I believe is what you want in order that my sales may be increased.

Mr. Wilson wrote me sometime ago that it might be a good plan to go over our list of dealers and strike off those who are not live ones. We are now going through our list and I will send you the names of all those who have not bought from us, say for the past seven months, and these you can eliminate from our list. This will materially reduce my list of dealers, particularly in California where your report shows that we have one hundred and sixty-five live and dead.

I have at all times tried to keep up the interest in country stores and music houses who handle our goods, giving them at all times the benefit of the doubt as to their being active or not, but as it is your wish we will drop out all those who are not active.

I hope Mr. Wilson will be able to stay a little while with us and instruct us in the way business is done in the East, for we very seldom get any instructions. I have had to establish my own ways of doing business, and it is my aim to give satisfaction and I intend to do so at all hazard. I will say nothing more of Mr. Graves, but will talk matters over with Mr. Wilson when he comes. I hope you will not establish him or anybody else as a Jobber for this year anyway, so that I may get the benefit of the Christmas trade which I have worked up. For instance the Portland Fair is not going to be-

fit me in any direct way, although it has cost me considerable in money and time.

I note that you are comparing my business with that of Jobbers in New York City (population several million against 350,000) a slim chance I would have to make a showing similar to those people.

Am glad that Mr. Wilson is coming for he will then be able to talk understandingly when you have your meetings with him in regard to the Pacific Coast business. I will also satisfy him that I am not devoting my entire business energy to the Penny Arcades, which I can assure you is a losing proposition. All round I have been losing for the past year at least \$500.00 per month and not making money as has been your conclusion, for as I told you before I have the Mission St. store on my hands at a cost of \$550.00 per month for rent and elevator service, have a staff of people working exclusively for the Phonograph business at an expense of about \$300.00 per week for salaries. My share of freight, insurance, list of lost accounts etc. go to make up this loss. Times are just commencing to pick up and I look for an immense Holiday trade.

I am now in a position to make a little money with your assistance and handle the Edison Phonographs and Records in good shape. Have established a good trade, have a good staff of assistants and am ready for business, but you are going to take some of it away from me. This certainly will cripple me, all of which I hope I can show to Mr. Wilson's satisfaction.

I want to sell out the Penny Arcade business and devote myself entirely to the Phonograph business, so if you come across Messrs. Marks & Wegener and they want to buy I am willing to sell.

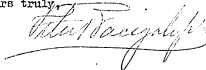
I thank you kindly for thinking of me with a percent-

W.E.G.--5

age, should you decide to take some of my business away. Although this is small it is appreciated by me. I know I am in your hands and that you will give me a square deal. I certainly can handle Los Angeles from here and there is no need of a Jobber there as he would have no territory. It is only a twelve hours ride by railroad from San Francisco and we have two good dealers who are doing all the business that Los Angeles can stand, as you will see by the statement I sent you.

I do not know as I can say anything more, but I will await the arrival of Mr. Wilson so that we can go over matters and I am sure he is a good judge of what ought to be done and certainly will give me the benefit of any doubt that may arise in his mind.

Yours truly,



Dict.P.B.

SECOND WEEKLY

REPORT TO THE PRESIDENT

August 21, 1905

NATIONAL PHONOGRAPH COMPANY
Commercial Department.



This week was practically devoted to attending the National Shorthand Reporters Association held at Chautauqua August 15th. to 18th. The object of attending this Convention was to place our Business Machine in competition with the Columbia Graphophone among this class of customers who could not dispense with the machine and who have furnished advertisements for them for years.

There is no doubt but what we succeeded very well in our purposes. Our Phonographs were run by electricity and we had a very good place to show them. The Columbia people did not have a good place and they ran their machines by Spring Motor. Our success may be shown from the following endorsements which will make good advertisements.

"The undersigned members who have reported part of the proceedings of the 7th. Annual Convention of the National Shorthand Reporters Association, are pleased to state that the Edison Business Phonograph used in transcribing the proceedings has done the work in a most satisfactory manner."

SIGNED: Louis E. Schrader
H.H. Pechin
E.C. Hardesty
Paul Wisenall
J.E. Fuller
Frank Weller

The following endorsement is from Mr. Irland who reports in the House of Representative and was elected the next President for the National Association:

"I take pleasure in saying that I have been using a talking machine for fifteen (15) years and that I dictate all my notes in that way. It is the most satisfactory way in which a reporter can get out his copy and I some time think it is the one thing that makes life endurable for a busy shorthand reporter. Having stated these facts you can readily understand that I hope to see the Edison Business Phonograph a great success.

SIGNED: Very sincerely,

Fred Irland.
President.

The venerable Benn Pitman, who with his brother Issac, was the author of shorthand in England and America, dictated the following on a cylinder to be handed to Mr. Edison. (Cylinder accompanies this report.)

*OK
2*

"I am Benn Pitman. I am here at Chautauqua, my first visit. I have just heard your new Business Machine, and I think it is one of the most wonderful and complete inventions ever achieved by human ingenuity. I heartily congratulate you and feel highly honored in having the pleasure of conversing with so supernatural and temporal a man."

Mr. Pitman also wrote the following in connection with the effect of the Business Phonograph on stenographers:

"While experimenting yesterday with the New Business Phonograph I was struck with the remark of your representative about your fears that the introduction of the improved machine might diminish the call for stenographers. Let the work of improvement go on; it will only make a greater number of people want Phonographs and an increased number of your experts to use typewriters."

SIGNED: Benn Pitman

It is respectfully suggested that Mr. Edison send Mr. Pitman a signed Photograph, through the writer, in return for the good feeling expressed.

On returning from the Convention we stopped in Buffalo and installed two Business Phonographs in the office of the Larkin Soap Company, where one hundred and fifty (150) Graphophones are in use. This firm is highly pleased with the machines which we left with them and the trial should result in the sale of a number of machines.

Respectfully,



Manager.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHIRMER-GARDNER,
ASSISTANT GENERAL MANAGER.

TRADE
Mark
Thomas A. Edison
MARK

IF REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS

C. H. W.

NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

ADDRESS YOUR REPLY TO

Phon. - Sales
J. F. RANDOLPH,
TREASURER,
EDGAR W. DENNISON,
SECRETARY.

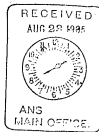
LONDON,
PARIS,
BERLIN,
BRUSSELS.

CABLE ADDRESS
"ZYNOTIC, NEW YORK"

New York, Aug. 22d, 1905

W. E. Gilmore, Esq., President,
National Phonograph Company,
Orange, N. J.

Dear Sir:--



Referring to your telephonic conversation with Mr. Ireton on August 9th, relative to Ray J. G. Ritter, Allentown, Pa., regarding whom Mr. Edison wanted to know why he did not handle our goods, I beg to quote below special report made on this party by our salesman, Mr. C. S. Gardner;

"Mr. Ritter reports that the Disc goods displayed in his window were mostly second-hand traded in on Edison and that he is offering them at any price he can get. The sale on Disc goods in Allentown is very limited. Mr. Ritter has in stock about 1000 Edison records and 10 machines. He is an Edison dealer through and through. Mr. Ritter is very sorry the display of Disc goods was in the window the day Mr. Edison came to town. Mr. Edison could not help seeing it as he left his motor car in the garage next door."

Yours very truly,

C. S. Gardner
MANAGER OF SALES

MEM/



Mr. Gilmore:-

Sometime ago I suggested to you that we do away with announcements on all records made abroad, using only the words "Edison Record," inasmuch as they have the name of each record fully printed on the cover of each box, and the records are retained in this boxes by the customers when used in their homes. The cutting out of this announcement will be of great assistance to them in making some of the operatic selections, where, especially, it is very difficult to cut them so that they will go on the record. I should be very glad to have your decision on this subject at your earliest convenience, and if it is decided to let the announcements remain, it will be necessary for us to secure additional help at each plant for this particular work, and I am afraid this will be very difficult for us to do judging from the experience they have already had abroad in securing up to date announcers. However, it will have to be done if the announcements are retained.

Attached herewith is a letter from Mr. White on the same subject.

W. H. Miller.

8/25/05.

[ENCLOSURE]

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison
MARK

Cable Codes Used: A.L., A.R.C., COMMERCIAL,
LIEBEN'S AND HUNTING'S.

**Thomas A.
EDISON'S**

EUROPEAN HEADQUARTERS
OF THE

FACTORIES:

Phonographs,
Gold Moulded
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

**NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.**

25, Clerkenwell Road,

London, E.C.

Orange, N.J.
U.S.A.
+ Berlin.
+ Paris.
+ Brussels.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE DETAILS.

3rd August, 1905.

Walter Miller, Esq.,
65 and 69, Fourth Avenue,
New York City.

Dear Sir,

I enclose you herewith copy of letter that I have to-day
written Mr. Schermerhorn on the subject of dropping announcements
on records in the future, which kindly note.

Very truly yours,

J. H. White
Managing Director.

J.H.W./L.D.

[ENCLOSURE]

N. P. Co., Ltd.

C O P Y.

2nd August, 1905.

J. R. Schermerhorn, Esq.,
The National Phonograph Company,
Orange, New Jersey,
U.S.A.

Dear Sir,

During Mr. Miller's stay here we have discussed several times the question of doing away with the announcement on the Edison records, and I have been giving this matter considerable thought of late. I think a very good argument in favour of doing away with the announcement is the fact that we are using a box, on the lid of which the title of the selection as well as the names of the composer and artists are shown. As these boxes are very handy and useful in connection with keeping records, preventing dust getting on them and so forth, it is my belief that nearly all users of records on this side of the water keep their records in these boxes, and therefore the name of the selection is always at hand. I assume that you will shortly be adopting this box in America, and therefore I send along these remarks in the hope that they may be of some use in considering the question of dropping announcements. Of course it may not be a wise plan to discontinue the use of the words "Edison Record", but these two words would not occupy much space on the cylinder in comparison with the rather long announcements on some of them. On this side of the ocean we often hear the remark that the announcements are very tiresome.

I presume you have some of the latest Brussels boxes in Orange,

[ENCLOSURE]

N. P. Co., Ltd.

but at any rate I enclose you herewith the top of one of our boxes which will illustrate just what I am driving at.

In connection with the matter of breakage as between our European and American boxes, I have had Mr. Bray unpack and carefully examine 2000 records, 1000 from Brussels and 1000 from America.

I enclose you herewith a statement by which you will see that out of 1000 records from Brussels we found 4 broken and 2 faulty, and out of the 1000 American there were found 11 broken and 7 faulty. This bears out what we have previously written you in connection with breakage of records in American boxes. We always find the breakage on American shipments to be much heavier.

These remarks are, of course, sent along to you for what they are worth.

With kind regards

I am,

Yours most sincerely,

Managing Director.

J.H.W./L.D.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER,
J. R. QUINN-REIDFERN,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER,
EDGAR W. BERRISON,
SECRETARY.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

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31 UNION SQUARE, NEW YORK.
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LONDON,
PARIS,
BERLIN,
BRUSSELS.

TRADE
Thomas A. Edison
MARK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"LYMOTIC, NEW YORK"

C. H. Wilson, Esq.,
Manager of Sales,

Orange, N. J. Sept. 15, 1905.
Amongst's

Dear Sir:

I enclose herewith copy of letter to Bacigalupi, which is in answer to his letter to me of August 18th. I presume that if you want to see his letter of August 18th he will show you his copy when you get to San Francisco.

You want to be firm with Bacigalupi, and you want to point out to him where he has been lame and has not followed up the business properly. He may say to you that he does not feel that he has been properly treated, that we never came out there to see him and all that sort of thing, but he came on here once a year and was given every opportunity to learn what we were doing, and I do not see why he could not gather this knowledge here and use it to good advantage on the Pacific Coast.

I was informed the other day that a large consignment of Victor goods was shipped from Philadelphia via Panama addressed to him. I want you to try and find out if he intends to take up the Victor line. If he denies it, which he must not do, as if we find that he is, of course, we shall take strenuous measures then to close our business out with him. I am not opposed to his taking on the Victor goods, but I am opposed most decidedly to his using our money to pay other accounts. You will see from the letter how much he owes us, and I do not propose

SHEET No. 2. DATE, 9/15/05. NATIONAL PHONOGRAPH CO. TO C. H. Wilson.

to allow the account to go any higher. I do not care whether it takes three weeks, four weeks, six weeks or two months to get goods to him, the account has got as high as I propose to allow it and he has got to make other arrangements to get money to reduce it materially.

Yours very truly,

A handwritten signature in cursive script, appearing to read "W. G. I. Wood". The signature is written in dark ink and is positioned above a horizontal line that serves as a separator between the signature and the typed name below.

President.

WEG/IWW

Enc-

[ENCLOSURE]

Sept. 15, 1905

Mr. Peter Bacigalupi,
786 Mission St.,
San Francisco, Cal.

Dear Sir:

Your letter of August 18th came duly to hand, but inasmuch as Mr. Wilson was then making arrangements to go west I have not replied to it, as I consider that my previous communications on this subject were about all that could be said. I have talked very fully with Mr. Wilson, and he will doubtless be with you ere you receive this letter. I want you to talk to him very freely as he intends to talk to you very freely on the general situation, tell you what our position is and how we feel about the matter.

I must say that I have not been satisfied for the past year with what you have been doing. I have been expecting that you would materially reduce your accounts with us. The statements that went forward Sept. 1st showed that you owed us as follows:-

| | | |
|-------------------------|-----------------|-------------|
| National Phonograph Co. | \$36,128.63 | |
| Edison Mfg. Co. | <u>1,446.99</u> | \$37,575.62 |

Against this we have received remittances so far this month as follows:

| | | |
|-------------------------------|---------------|-----------------|
| National Phonograph Co. | 3,586.65 | |
| Edison Mfg. Co. | <u>200.00</u> | |
| | | <u>3,886.65</u> |
| which reduces your account to | | \$33,788.97 |

Against this, shipments of the National Phonograph Co so far this month (no shipments of the Edison Mfg.Co) amount to--

| | |
|--|--------------|
| | <u>18.10</u> |
| which again brings the account up to a total of- | \$33,807.07 |

I do not know how far you expect us to carry you, but I want to say to you right here that we do not propose to allow this account to go beyond what it is at present. It is all very well for you to talk about the long time that goods are on the road to you, but that we cannot be held accountable for. Now the busy season is going on and you want us to grant you further credits, which we cannot at all stand. We know that there is going to be a tremendous business in our line for the balance of the year, and early in the New Year as well, and I must absolutely protest against this account being increased more than it is. We have given you every opportunity to reduce the account materially, and my previous correspondence with you has been on the lines of a reduction. We have now reached a point where we cannot and will not continue to carry this account at the large amounts we have been carrying it in the past, and you will have to make arrangements to reduce this materially, as we cannot see our way to continuing to ship you goods in the manner we have heretofore.

Again referring to the matter of our buying you out, we had no more idea of doing this than we had of buying out any other concern. We feel

[ENCLOSURE]

-2-

perfectly satisfied that we can get all the Jobbers we want along the coast, and if anybody else wants to go in the business there, all well and good, and you could sell out to them at far better advantage than you could to us. We are not in the business of selling machines retail, wholesale or otherwise; we simply want to furnish to Jobbers and dealers, and we do not believe in any such adage as that of the Columbia Co. of handling agencies ourselves. As I have stated, I do not believe that "you can keep the bread and eat it to."

So far as the Sherman-Clay people are concerned, I know nothing, of course, as to the business they did before they took up the sale of goods through furniture companies and "scheme goods" people, but I do know that we have been increasing our business, not only through these channels, but in other channels as well, not only in the east here but likewise all over the west.

Mr. Wilson is armed with full data as to the business conditions, is familiar with the methods pursued by the eastern jobbers and dealers, and also the western jobbers and dealers as well, and he can enlighten you very greatly as to what they have been doing. Now so far as you are concerned, we have never interfered one way or the other as to what course you should pursue in the sale of our goods. It never interested us as to whether you sold them through music houses, furniture people or anybody else. What we want to get is an equal amount of the business on the coast, which, from the statistics which we have, we find has been going to our competitors to a very much larger extent than it has to us, and yet, when you consider quality and price, our goods are equally as good, and in a great many cases better than similar goods now on the market put out by others.

As I have already written you, we have decided to install Jobbers in all of the cities other than California, and this decision we have reached after most careful consideration. We see no good reason why we should withdraw it at this time, as we feel that we have not been properly represented in Washington, Oregon, Etc., and we must, for the preservation of our interests, take up with others what you have been unable to do in the past. When you stop to think that for a long time past you have been getting your goods delivered in San Francisco, or practically so as the 50 cent charge amounted to nothing, I do not see wherein you have been handicapped in any way whatever. Now that we have decided to pay all the freight charges to Jobbers in the far west, you must understand, of course, that this is going to reduce our profits very materially, but nevertheless, in order to get in we have got to do it, or Edison Phonographs and Records will be supplanted by others.

As I have above stated, Mr. Wilson is thoroughly familiar with the situation and will be able to discuss this matter most fully.

Yours very truly,

President.



Hotel Del Monte, Del Monte, California Photo, Automobiles and Golf the year round
Geo. P. Shaw, Manager

Sept 20th 1905

Mr W. C. Kilborn,

Dear Sir,

As I visit Mrs Kilborn yesterday we were tempted to stop over here for one day. Arrived 7.30 last night and will leave for Denver at 6.30 to night, arriving there at 10.30. It is the most wonderful and beautiful spot I have ever visited. You have just finished the eighth mile trip and it was empty grand.

I covered Los Angeles as thoroughly as possible on Saturday & Sunday and found

conditions and prospects as follows. The present population is 201000 as against 100000 in 1900 or a growth of over 100% in five years. All estimates give an increase of 50000 in the next five years or 250000 in 1910.

The Pacific Electric Co have the finest system of Electric roads I have ever seen and it is claimed to be the best in the U.S. It branches out in all directions and covers all suburbs and adjacent towns within a radius of 25 to 40 miles. The already established adjacent towns are growing as rapidly as possible and new ones are springing up daily.

In Los Angeles the three largest money houses and they are all big concerns, handle big orders only, are going to handle the Victor

and do a large business,
Smith's Mining Co. handle the
Victor & Georgetown in which
they do good business but are
not doing principally the Gold-
silver and connecting with
Newspaper Column and have
with in just month put out
between 1500 + 1800. Smith's
Mining Co. handle Victor and
are just enlarging their
Department to handle them to
the care of increasing in
business. I'd bring Los for
interested them in our line
that they will shortly put in
a stock through Georgetown.
In addition to this there is
there is Eastern Mining Co. who
Joshua Georgetown principally
but also handle Victor. They
have the great gold in
city and do very business.
The Brown Mining Co. Victor
only, and Cambridge Dept. Stone

Victor only. I think there is
Joshua Mining & Princeton
who handle all mines but do
very little in any. They have
not bought an Edison Record
in a year. Only a part of
our machines and low capital
costs.
Arranged against all of these
we have represented by
Edwin Co (M. & P. Co.) of
H. C. Frick Jr. & Co. both of whom
do a nice business. They have
purchased an amount of iron to
eight hundred and they expect to
to six hundred monthly, but built
one of them near the location,
place, ability or money to represent
us properly or effect the same
being made by the other firms.
As soon as I could learn we
have orders in a few but not
many of the smaller towns and
we expect to have one in
each of them. The three
largest towns mentioned were

all very much interested in
our goods and I firmly be-
lieve any one of them would
know take up the jobbing
and gain an order for
them to the order of \$1000.
When informed we would not
start a jobber there for at
least another year they all
requested that they be given
an opportunity with the thing
coming.

Business of all kinds in
country booming all through
Southern California and all
it requires no capital to start
with few to make money in
any line or vocation.

Benjamin should say how
to day and asked if I had
any special things for him.
He said he was coming as
far as San Jose to meet us
to night. Hope to hear from
you at some as to

how business is doing.
I got letters received this
letter at Los Angeles.
Did you do anything with
Babson. H. K. Claffing Co.
have to ask you, but can't
find they are doing much
locally. They will soon thrust
into smaller quantities.

Reports indicate that high
class & high prices they want
are what will do the big goods
and dealers are pushing them
hardest because of the larger
profits on small sale. They
two dealers handling in line
want a higher class edition
over but claim ^{will} not make
a mistake if we list it at
less than \$100 at the lowest.

Don't change here in also
requested. With these two ex-
ceptions our goods are giving
entire satisfaction and trade
increasing daily.
Addressing of leaf papers about
4 to 1 in favor of
Yours truly
C. H. Claffing.

[FROM CARL H. WILSON]

WHOLESALE, EXPORT, RETAIL



PHONE ADDRESS
840 MARKET STREET
805 KEARNEY STREET
605 K ST. SACRAMENTO

TELEPHONE
MAIN 5464

OFFICE AND BUREAU
786-788 MISSION ST.

SAN FRANCISCO Sept 20th 1914

PROJECTING MACHINES
FILMS
SLOT PIANOS
PIANOS
PIAN-ORCHESTRA
MINIATURE RAILWAYS
MERRY-GO-ROUNDS
ALL KINDS OF
COIN-CONTROLLED
MACHINES

Mr. W. E. Gilmore,
Pres. National Phonograph Co.,
Orange, N. J.

Dear Sir:—

On my arrival at San Francisco, Sept. 20th, I received your letter of the 15th, with copy of letter written Mr. Bagicalupi enclosed.

Thursday, Friday and to-day I have devoted entire-
portance relating to his business and the method of operating same, as
well as having taken up the question of establishing jobbers in the states
of Oregon and Washington.

I am now having made up statements and reports,
showing the condition of his business; that is, approximate amount of stock
on hand, bills receivable, running expenses, etc.; all of which I will for-
ward to you to-morrow or Monday, together with letter containing as much
information and explanation as can be given by correspondence.

It will be impossible, however, to explain them
fully, except in person, which I will do upon my return.

So far as the establishing of other ^{Gilmore} ~~branches~~ is
concerned, his objections and protests to our doing so are simply a re-
petition of what he gave you in letters before I left; consequently there is
no need of ~~repetition~~.

After going into the matter thoroughly, however,
I think I have finally convinced him of the necessity of having other
jobbers in Oregon and Washington at least, in order to secure the amount
of business to which we are entitled, and protect our interests.

Much as he regrets our being compelled to take
such steps, he admits that, from a business standpoint, we are fully justi-
fied in doing so.

He appreciates our giving him the state of
California for another year at least, and trusts that his business will be

*Mr. Bagicalupi has been very busy
in going out of the city
to look after his business
I will call on him
10/1/14*

W.E.O. ---2

such during that time as will warrant our giving him the same concession for a longer period. He also appreciates the 2 1/2% we agree to give him on jobbers' business, as he realizes it is an act of kindness on your part, and not one which we were compelled or under obligation to make.

Regarding freight charges which he has heretofore been compelled to pay, and to which he refers in one of his letters to you, this, he states, was due to his not knowing that we only allowed other Western jobbers \$1.50 per hundred, and that they had to stand the balance.

He claims that he was of the opinion that we had always allowed full transportation charges to all other jobbers, and that the fifty cents per hundred pounds that he had been compelled to pay reduced his profits just that much, as compared with other jobbers.

I explained this matter to him fully, and he now regrets having raised the question to you in any way, shape or manner, as he is of the opinion that you took exception to his remarks on the subject, and says had he known that other jobbers in the West were paying equally as much, if not ~~more~~, in the way of freight, than he was, he would have never mentioned the fact to you.

In conclusion I can only add that aside from being able to arrange with him some way, whereby he can reduce his present account and still continue to push our interests, I have settled ~~all~~ other points, in a manner, which I think it satisfactory to him, and will be to you when I have fully explained them.

The account question will have to be settled and determined between you and he after you receive statements and reports, which, as before stated, I will mail you later.

I had hoped to leave here on Monday night and arrive in Portland Wednesday morning; but owing to the length of time I have had to spend with Mr. Sacralupi, it looks as though I would not be able to look over the ground, and call on other talking machine concerns, etc. and get away before Tuesday night. I will keep you posted by wire as to just what my movements are.

Yours very truly,

WHOLESALE, EXPORT, RETAIL



PETER BAGIGALUPI

PHONOGRAPH AGENCY
PACIFIC COAST
SPECIALISTS FOR
PHONOGRAPHS,
RECORDS &
SUPPLIES.

PHONE ADDRESS:
840 MARKET STREET
805 KEARNY STREET
805 K ST., SACRAMENTO

TELEPHONE:
MAIN 5464

OFFICE AND BARRACKS:
786-788 MISSION ST.

SAN FRANCISCO Sept. 28th, 1905.

PROJECTING MACHINES

FILMS

SLOT PIANOS

PIANINOS

PIAN-ORCHESTRA

MINIATURE RAILWAYS

MERRY-GO-ROUNDS

ALL KINDS OF
COIN-CONTROLLED
MACHINES

W. E. Gilmore, Esq.,
c/o National Phonograph Co.,
Orange, New Jersey.

My dear Mr. Gilmore:-

Mr. Wilson has come and Mr. Wilson has gone. I presume he arrived in Portland this morning and will go at the work he has been sent out to do.

While Mr. Wilson was here, which was nearly a week, I used every endeavor in my power to make things pleasant for him and his good lady.

On his return to New York I am sure he can report to you very thoroughly in regard to my business as he has gone through everything with me and my people here. My books and establishment were open to him and he examined into the minutest details everything connected with the "trust" you have reposed in me for the past seven years. All of his questions have been answered and the figures have been placed before him and I feel sure his report to you will be satisfactory. You will find that I have considered your consignment a sacred trust and have treated it as such, kept special books for it and at all times catered to giving you the benefit of any doubt which might arise and always remitting to you any money that came in for goods sold belonging to you. This fact seemed to make a very special impression on Mr. Wilson, as I think he expected something quite different. He has called on my trade and bankers here and, while I do not know the details of his conversation with them, I am inclined to think they all gave me a good send-off.

While I regret, as you can readily understand, the loss of Oregon and Washington - the former the best state of all my territory - I must bow to the inevitable, fully knowing your position in a corporation and at the same time appreciating your unlimited confidence in my honesty.

He tells me that in order to become a Jobber he will exact a cash purchase of \$10,000 worth of goods. I can see, of course, how a bunch of money comes in to your Company and is not to be despised. But I am inclined to think that had you continued in the old way you would have come out better in the end. This, of course, is my opinion - nothing more. I appreciate it that you are going to allow me 2-1/2% on sales made to these new Jobbers as a sort of Balm to soothe my losses. I am inclined to believe, however, that if you will think it over you will decide to allow me more than this, particularly now that our common enemy, the Graphophone Co., has just put out a circular where they allow their Jobbers 10% on sales of over \$2,000 per month. If they can afford to do this, can you not do the same? The taking away of Oregon and Washington means the taking away of two-thirds of my business, for I have at all times considered Oregon especially better than California.

Am I to understand that my territory now as a Jobber is reduced to California and Arizona and that I can deliver to either? A great fall-down after having controlled almost the entire Pacific Coast to be reduced to two measly states. Don't you think for a moment, though, Mr. Gilmore, that I am not thankful to you for allowing me another year for these two states, for I certainly am.

Mr. Wilson will tell you that my Penny Arcade business has gone to the Devil, as have other outside lines which I have had and which are the cause of my taking the lease on the Mission Street store at \$450.00 per month, with three years and a half more to run. I am now reduced to the Edison Phonographs and the Wurlitzer goods. These latter are generally consigned to me and the Wurlitzer people carry the papers, for nearly all the sales of their Pianos and Orchestrions are on time. So you see I don't handle much cash on other goods.

I have three lofts to let in my building, which ought to bring me \$300.00 per month, and have been unable to rent them for a year and a half, and no prospects of renting them shortly either. This has put quite a damper on my plans for having a representative building for the Edison article.

Mr. Wilson insists that I ought to have a retail store on Market St. This you know means increased expenses, more salaries, etc., etc. He thinks if I were in a position to do so and would handle the Victor and the Edison goods exclusively on a retail basis I could make some money. You know, Mr. Gilmore, that from the beginning I have been loyal to you, have turned down offer after offer to handle the Victor goods - which if I had accepted would have made me larger profits. I know you appreciate my loyalty and you can rest assured I will not handle these goods until I am in a position to re-fund you for the handsome credits you have allowed me. Mr. Wilson was informed that I had a large consignment of Victor goods on the road to San Francisco. This I think I have convinced him is a falsehood, started by some of the few people who do not like me on the Coast. This I can assure you I would not do. My business with you has been and will always be openhanded. I have never told you any falsehoods and never will. The day I cannot do my business without lying to you I will quit.

I was going to suggest that as you frequently come in contact with large capitalists it might occur some day that you would meet somebody who had some money to invest. If I could secure a loan

W.E.G.--3

of about \$25,000 say for 6% I would like to take it and secure the party by giving him a blanket mortgage on everything I possess, the statements which I have given Mr. Wilson will show you that I have more than three times this amount, so that the party furnishing me with the funds would be amply secured. With this money I could pay you enough to reduce my balance to a decent amount, pay cash for other goods and take advantage of the 2% discount, which would more than pay the amount of interest I would have to pay each month, and I could then do a large retail business on the installment plan.

The position I will be left in to-day if Jobbers are put in the North will not be a very good one, I can assure you. Mr. Wilson tells me you are going to send a travelling man out here to spend at least six months at your expense. Now you cannot send this man too soon. He is badly wanted and I hope will be a good one for our mutual benefit. He could first work the state of California and then on his way home do Arizona. His experiences would also be information for you on the hard time I have had in being a missionary for the Edison product on the coast. Now that the pudding has been boiled and is ready for eating these other duffers come in and get the benefit of it.

I am glad to know that after you have had your talk with Mr. Wilson and have seen his figures you will see the reason why my account has been so large. I think he is thoroughly satisfied that it is a Coast habit that nobody pays their account in less than 60 or 90 days, and I have had to give this credit the same as other people do only it was with your money and not mine. It was very hard to convince Mr. Wilson of this fact, but I think he now knows it. I am sure he will have a nice talk with Mr. Dolbeer and show him something quite different from what you people are accustomed to in the East. He has found that the people with the largest rating in Dun and Bradstreet are the slowest pay. We had to lunch with us one day Mr. Beck of the Eastern Talking Machine Company of Boston, who by the way I think is a very smart and able gentleman, and this matter was discussed and they both agreed that things were different here from what they are in your part of the world on the subject of credits.

I presume in the event of Mr. Wilson failing to secure the required orders to make a Jobber in any of these states I will be left in my old position. In that case I would ask you to kindly have your travelling man visit him before coming to California, as it would be a great help. You know as long as there is life there is hope and I am hoping he will not secure all the new Jobbers he expects to. Rather a forlorn hope.

Mr. Wilson has written for your permission to return the largest part of all of our Concert Records as the most of these used to be sold in the North, where we have sold a great many Concert machines. If you instruct me to return these shall I break them up as suggested in one of your letters, or do you think you can use them intact. By returning the Concert Records my stock of Edison goods will be a very clean one indeed. I have also asked him to kindly have you secure for me a credit for the Films now held by the Edison Mfg. Company in order that I may wipe out this account altogether and continue to pay for machines as fast as I get them.

I have decided to sell out my entire Penny Arcade outfit. You may help me to do so as I know that Marks thinks the world of you and a hint from you might do the trade. In that case I think I would have the nerve to open a retail store where my Penny Arcade is at \$850.00 per month, but I feel confident it would be a winner. So please don't forget to try and boost this sale should the proper opportunity ever come. Marks & Wagner have for a long time wanted to open an Arcade in San Francisco. They run their Arcades on plenty of capital and could make money where I could not.

While Mr. Wilson was here I took upon myself to introduce him to people who were not handling the Edison goods and the invariable reply to the question "Why do you handle the Victor goods in preference to the Edison?" was "Because the Victor goods are well advertised." He can tell you this himself. I did not know before we made these trips together that the Victor Company was allowing their jobbers money to advertise with, nor did I know that they were in the habit of putting goods out on consignment - that is Sherman and Gray were putting them out in this way. The advertising and the consigning certainly help to make dealers for them.

*Hoping you will do all you can
to help me along, as heretofore
and again thanking you for many
favors & also for the confidence you
have placed in me*

I am yours very truly

W. E. G.

*I am mailing today 5000 Record Catalogue
Circulars, 25¢ to people who own phonographs
cost of stamps \$1.00 plus envelope cost.*



Check \$2000.00
detached
H.B.H.

Oct 11th 1905

Mr. W. E. Gilmore,
Dear Sir,

Stenographer again
scarcy and very busy. Returned
here from Spokan Friday this a.m.
and leave 8.15 to night for Salt
Lake City, arriving there Friday
morning.

I enclose herewith getting
orders of the Spokan Stenograph Co.
who are successors to the old
Spokan, their signed agreement
also certified check for \$2000.
You will note from forms given
on this order, they are to be notified
(by wire) when shipment is ready
and their bank is then to wire
reply that certified check to cover
balance due has been mailed,
and shipment is then to be made.
In your telegram you will of course

77



190

have to state the amount of balance
due to cover order so they can
forward correct amount. If possible
this money should be sent them
at least one day in advance of ship-
ment being made loaded or put on
cars so you can determine how
much of order you can fill and
what balance due will be. I
believe aside from this, the terms
given on order will explain them-
selves.

I tried very hard to land
Elihu Pennington at Spokan and
while their manager there (Mr.
Hidinger) was favorably disposed
he was unable to get Mr. H. E. Eiler,
President of the Co. and located at Portland,
to whom he should cover, time
to acquire with his wires. Consequently
I was unable to cover them, and

3/

J.C. BOWERS
Jeweler

190

order to crown the Spokane Co. I had
to agree not to establish another
giltner there for one year, therefore
after Council their order I had to
advise Mr. Bridgman to that effect.
He was very much disappointed
and asked for a favor that I
return to Portland and take the
matter up further with Mr. Baker
with the view of his becoming a
giltner here. This I agreed to
do having my being here again
to buy. Shortly after arriving
here I learned that Mr. Baker was
in town. I therefore hunted him
up and as he had had some
talk with Baker (having known) we
then had lunch together. I
tried my best to convince Baker he
should be a giltner but unsuccessfully
to be so. Unhappily I have had to

4/

J.C. BOWERS
Jeweler

190

give him up but hope Baker
will be able to land him as a
dealer. He will not deal with Baker
even though he has to pay for things
from Triaca. I am satisfied he
will want to come in as a giltner
in time and the only reason for his
not doing so now is his conspiracy
in the small goods line. Therefore
this Portland here has handled
nothing but Briers and other large
instruments.

Baker is apparently quite con-
cerned about the action we have taken
and his trip here and he is going
to Seattle, is to see if he cannot
hold some of his old trade on the
basis of Snake River. He fully
understands he can't offer nothing
better than that but says Council
knows about forming him there

5



orders rather than deal with
orders which Mr. Johnson N.S.
and who, I have learned from
several dealers internationally, does
not fear the best of reputation
in these parts.

As I have just wired you
I have obtained \$200 of
orders and draw on bank
for the amount. I also wired
you this A.M. to ship Bacon's order
for Mrs. Beards also thing to be
shipped first to his customer
in Portland, Oyster + Spoken, at
once instead of waiting until you
could ship your jitters order as
mentioned by me. This for the reason
I'm afraid they may be some
delay in shipping the new orders
and the Mrs. Beards should be
received as early as possible.

6



From now on I of course
do not expect to do any business
although if a good opportunity
presents itself I will not throw
it away. My Repton truck
with District Inspector Bond
J.P. G. Bond, C.P. Salt Lake City,
and will call on them. Mr. Bond
Chamberlain will also call on
jitters in Denver, Idaho City, and
whenever I stop on my east.
Will keep you posted from
day to day when to catch me.

Yours Very Truly,
W. Wilson

P.S.

I think this is all as far as the order files
my large car, so on that they are filled as
nearly complete as possible also promptly.

7



J.C. BOWERS
Portland, Ore.

190

As Portland Cement Co. are
paying in advance we will
send the money for charges.

W. W.

W. W.

WHOLESALE, EXPORT, RETAIL



PHONE BRANCHES: 840 MARKET STREET MAIN 5464
805 KEARNY STREET
605 K ST., SACRAMENTO

OFFICE AND HEADQUARTERS: 786-788 MISSION ST.



SAN FRANCISCO, Oct. 20th, 1905.

PROJECTING MACHINES
FILMS
SLIT PIANOS
PIANINOS
PIAN-ORCHESTRA
MINIATURE RAILWAYS
MERRY-GO-ROUNDS

ALL KINDS OF
COIN-CONTROLLED
MACHINES

Mr. W. E. Gilmore,
Orange St.

Dear Sir:-

I returned from my trip to Portland yesterday and can assure you that I was met with a very pleasant reception by nearly all of my dealers whom I have lost through your new arrangements.

The blow is a very hard one on me as it takes away about \$600.00 per month profit, but I presume you are the best judge of what should be done under the circumstances and I will abide by your judgment. Hope you will do the best you can for me in the territory I have left. For my part I will use every energy to increase my present number of dealers and also my retail business, on which latter I now have to rely a great deal more than before.

My one regret now is that I have taken a five years' lease on the Mission Street store at \$450.00 per month, with an additional expense of about \$100.00 per month for elevator service, making a total of \$550.00, which is too much for my present reduced business. There seems to be no prospect of my renting the three lofts which are now empty as you Mr. Wilson saw.

I am informed by my dealers in the North, and which can be vouched for by Mr. Wilson, that they have been benefited by the Portland Fair. My object in having you make this Exhibit was in order to benefit myself as much as possible and now that I have lost this benefit I would like to know if it would be all right for you to compensate for the expense I have been put to in running the Exhibit. For instance I have paid my manager there \$440.00 and about \$50.00 for traveling expenses. I have made three trips there which cost me about \$150.00 each trip. If you think it is right, in view of the change that has taken place, and that others will get the benefit instead of me, and you will refund this amount, I am willing to throw in my personal

W.R.G.--2

services free of charge. If you decide to allow me this credit would you kindly have it apply to the Wilson Manufacturing Company's account as I am very anxious to have this account disappear entirely.

I met Mr. Wilson in Portland after he had gotten through his business, purposely not wishing to interfere with any arrangements you and he might have. I met him after his work was done and we talked this matter over and of course it is now up to you.

Please do not forget that I have a lot of Films in the hands of the Manufacturing Co. for which I would like to have credit. This would materially reduce the Manufacturing Company's account and I would then try to wipe it out.

I will use my best energy to collect my out standing accounts and remit to you every possible amount in order to reduce my account to where you would like to have it. I will do this without injuring the trade for us both as fast as possible. Mr. Wilson will explain to you how much credit is given on the Coast by other people and, of course, I must do the same if I want to do the business.

I want to go on record ^{for} my satisfaction in your naming Messrs. Foster & Foster as Jobbers in Spokane. I have nursed these people from nothing to what they are and I would have been as sorry as they had they not got the jobbing for that section. I had a very nice letter from them in which they thank me very kindly for my assistance in the past.

My relations with the D. S. Johnston Co., Seattle, remains as heretofore, and I am sure I will get some of their business.

If I can be of service to you at any time in that territory all you have to do is command me.

Yours very truly,

Dkt.P.B.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHERERHORN,
ASSISTANT GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
TREASURER.
EDGAR W. DENNISON,
SECRETARY.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

CABLE ADDRESS
"ZYNOTIC, NEW YORK"



IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS

Orange, N. J. Oct. 24, 1905. *phon - Advertising*

Mr. W. E. Gilmore, President,
Orange, N. J.

Dear Sir:

If a printing plant of our own would save \$5000 a year, would you spend \$30,000 to \$35,000 to put up a building and install a plant? If the subject interests you at all, I will make a careful investigation so as to determine the present cost of our printing and what an adequate plant would cost, and discuss the subject with you further.

Very truly yours,

NATIONAL PHONOGRAPH CO.,

Advertising Department.

L. O. Cheney
Manager.



W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHERERHOFFEN,
ASSISTANT GENERAL MANAGER.

M. P. - Sound

F. RANDOLPH,
TREASURER,
EDGAR W. DENNISON,
SECRETARY.

TRADE
Thomas A. Edison
MARK.

NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND VICTOR TRADE-MARKS.

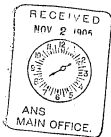
ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYNOTIC, NEW YORK"

C. H. W.

New York Nov. 1st, 1905

Mr. Gilmore---Mr. Weber,
Orange, N. J.



Dear Sir;--

As I have already talked over with you, I believe it very important that we design and manufacture a combination talking and picture machine. There are several concerns throughout the country now making this type, and I find Slot Machine Parlors generally are putting them in. It is my opinion that sooner or later they will have preference over the regular Slot talking machine, which we are now turning out.

Mr. Kohn, of the Automatic Vaudeville Company, advised me yesterday that he had three machines of this kind, in their 14th St. store, each of a different manufacture, and that he would be pleased to have Mr. Weber look them over at his convenience.

Yours very truly,

W. E. Gilmore
MANAGER OF SALES
71

Copy sent Mr. Weber.

WHOLESALE, EXPORT, RETAIL



FRANCIS AVENUE
840 MARKET STREET
805 KEARNY STREET
605 K ST., SACRAMENTO

TELEPHONE
MAIN 5464

OFFICE AND BULKROOM
786-788 MISSION ST.

PROJECTING
MACHINES
FILMS
SLOT PIANOS
PIANINOS
PIAN-ORCHESTRA
MINIATURE RAILWAYS
MERRY-GO-ROUNDS
ALL KINDS OF
COIN-CONTROLLED
MACHINES

Mr. W. E. Gilmore,
National Phonograph Co.,
Orange, New Jersey.

Dear Sir:-

Yours of the 30th ult. received. I note what will cut out any further correspondence on this subject. Of course, I would like to suggest that as your Mr. Wilson has informed you of the tremendous business that is being done here we naturally presume you that he has also informed you of the fine advertising that is being done by the Victor Co. on the Coast.

I thank you kindly for your suggestions on my Mission St. store. Here I am up against it. My signature has always been good and I will have to make it good on this lease. You can bet that if anybody comes along with any kind of an offer they will be my tenants.

I am not surprised at your generous action in the matter of the Portland Fair. I know you too well, and thank you kindly for your action which is certainly a relief to me. I enclose you herewith and bill for miscellaneous expenses, \$122.19, also my bill for allowance, as per your letter, \$940.00.

Now I certainly did not express myself fully in my letter, I did not pretend to tell you what accounts you should charge your expenses to, but what I meant was that if you will allow me credit for this bill, which you have so generously done, and have the credit placed to my account against the amount I am owing the Edison Manufacturing Co. Don't you for a moment think that I would tell you what you ought to do in charging expenses. Only my ambition is to reduce the Edison Mfg. Company's account to where I can get 2% when I pay cash for Projecting Machines, and in this way save money on freight which I have to pay totally, as that Company does not pay freight, not

RECEIVED
SAN FRANCISCO, NOV. 24th, 1905.

11/24/05
MRS. MAIN OFFICE

W.E.G.--3

being so generous as the National Co.

I have taken due note of your general opinion as to the benefits that will be derived by my hustling for California trade, I am dying for you to send your traveling man to investigate Calif, and you can bet that I will do all I can to increase my business in the territory that is now left me. I have to do it or I cannot eat, and those depending on me, which by the way are numerous, will be in the same boat.

Yours very truly,



Dict.P.B.
Enc.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHIERMEIERHOFF,
ASSISTANT GENERAL MANAGER.

Phon.-Advertisements
ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. POLPILL,
TREASURER.
EDGAR W. DENISON,
SECRETARY.



NATIONAL PHONOGRAPH CO.
ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
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LONDON, PARIS,
BERLIN,
BRUSSELS.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

CABLE ADDRESS -
"ZYMOTIC, NEW YORK"

Orange, N. J. Nov. 10, 1905.

Mr. W. E. Gilmore, President,
Orange, N. J.

Dear Sir:

As a preliminary to a discussion concerning the use of additional mediums, like Leslie's, Puck and Judge, I want to submit a few facts which will give you a better understanding of the situation when you can find time to talk over the matter of advertising for 1906.

In the year ending December, 1905, we spent \$55,000 in what we call magazine advertising. This amount was expended in mediums shown on the enclosed sheet. The crosses on this sheet indicate the months in which our advertisement appeared in the various mediums, gives the total numbers of insertions in the year and shows whether the publications were weekly, semi-weekly or monthly.

You will see by this sheet that even this expenditure does not permit a very liberal use of any one medium. Everybody's magazine, Red Book, and Success are the only publications that we have used almost every month throughout the entire year. In Collier's and Saturday Evening Post, we have only had one insertion each month or twelve issues out of fifty-two. It does not seem advisable to use any additional mediums unless we can eliminate some of those that we are now using or spend more money. We have already decided not to use some of the mediums shown on the enclosed sheet, such as Life and Woman's Home Companion. Others will undoubtedly be dropped as

Mr. W. E. Gilmore, -2-

fast as we find that they do not seem profitable for our advertising. The only reason why we have never seriously considered Leslie's, Puck, and Judge and other mediums is because it has not seemed best to drop some of the publications we have been using, nor did it seem wise to attempt to spend our appropriation in a larger number of mediums by using less space or fewer insertions in the current list. There is no question about the increased value of using full pages in magazines and it does seem desirable to appear as often as once every other month in the magazines we are using regularly.

Very truly yours,

NATIONAL PHENOGRAPH CO.,

Advertising Department,

L. C. McPherson
Manager.

[ENCLOSURE]

| | JAN. | FEB. | MAR. | APRIL | MAY | JUNE | JULY | AUG. | SEPT. | OCT. | NOV. | DEC. | Total | |
|----------------------|------|------|------|-------|-----|------|------|------|-------|------|------|------|-------|--------------|
| Amelia | | | | | | | | | | X | X | X | 3 | monthly |
| Argosy | | X | | | | | X | | | | X | X | 4 | " |
| Auto. Industry Mags. | | | | | | X | | | X | X | | | 3 | monthly |
| All Stars | | | | | | | X | | | | X | X | 3 | " |
| Am. M. Mag. | X | X | | X | | X | | | X | X | X | X | 3 | " |
| Am. Boy. P. | | | | | | | | | | X | X | X | 3 | " |
| Collins | X | X | X | X | X | X | X | X | X | X | X | X | 12 | monthly |
| Competition | | | | | | | | | | | X | X | 2 | monthly |
| Country Club Mags. | X | X | | X | X | X | X | X | X | X | X | X | 11 | " |
| Four Back News | X | X | X | | X | | X | | | X | | X | 7 | " |
| Farm & Home | X | X | X | X | X | | | | | X | X | X | 8 | semi-monthly |
| Farm & Home | X | X | X | X | X | | | | | X | X | X | 8 | " |
| Forest & Home Mags. | X | X | | | | | X | X | X | X | | | 6 | monthly |
| Life | X | X | X | X | X | | | | | | | | 5 | " |
| Lippincott's | | | | | X | | | | | | X | | 2 | monthly |
| Luncheon | X | | X | X | | X | | X | X | X | X | X | 9 | " |
| National | X | | X | | X | | X | | | | X | X | 5 | " |
| Overland | X | X | X | X | X | X | | | | X | X | | 8 | " |
| Outlook | | | | | | | | | | X | | X | 2 | monthly |
| Orange Juice Mags. | | | | | | | | | | | X | X | 2 | monthly |
| Pittsboro | | X | | X | | X | | X | | | X | X | 5 | " |
| Poplar Mags. | | | | | | X | | | | X | X | X | 3 | " |
| Rev. of Printing | X | | X | | X | | X | | X | | X | X | 7 | " |
| Red Book | X | X | X | X | X | X | | X | X | X | X | X | 11 | " |
| Roads Mags. | | | | | | | | | | | X | X | 2 | " |
| Sat. Ev. Post | X | X | X | X | X | X | X | X | X | X | X | X | 12 | monthly |
| Spectator | X | X | X | X | X | X | | X | | X | X | X | 11 | monthly |
| Survey | X | X | X | X | X | X | | X | | | | | 8 | " |
| Southern | | | | | | X | | | | | | X | 2 | " |
| South's Mags. | | | | | | | | | | X | X | X | 3 | " |
| Star Monthly | | | | | | | | | | X | X | X | 3 | Monthly |
| Woman's Home & Comp. | X | X | | X | | X | | | | | | | 4 | " |
| World's Work | | | | | | | X | X | X | | X | X | 5 | " |
| World Today | X | X | X | X | X | X | | X | X | | | X | 9 | " |
| Youth's Comp. | X | X | X | X | X | X | | | | X | X | | 8 | monthly |

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHNEIDERBACH,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.
EDGAR W. DENNISON,
SECRETARY.

COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.
ORANGE, N. J.

MANUFACTURING AND INSTALLING APPLIANCES FOR THE
EDISON COMMERCIAL SYSTEM
CONDUCTED WITH THE
BUSINESS PHONOGRAPH
31 UNION SQUARE, NEW YORK.

TRADE
Mark.
Thomas A. Edison.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

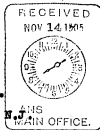
Dictated to the
Edison Business
Phonograph

Cable Address
"ZYMOTIC, NEW YORK"

W. E. G. D. - E. M.

ADDRESS YOUR REPLY TO

New York, Nov. 15, 1905.



Mr. W. E. Gilmore, Pres.
Orange, N. J.

Dear Sir:-

You will be interested to note the attached original letter from *Bonn Fisman*, who states that he was the man who coined the term "Phonograph" in connection with a phonetic sign in stenography. Mr. Fisman's letter comes as a reply to my letter, asking if he had received the photograph of Mr. Edison. The letter acknowledging the photograph had not been received by the writer, and I am pleased to note that he has the same in his possession, as you will note.

Yours respectfully,
NATIONAL PHONOGRAPH CO.
Commercial Dept.

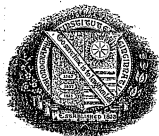
Nelson L. Durand

Manager.

Mr. Durand was obliged to leave before signing the above letter dictated by him.

[ENCLOSURE]

* I have an impression I addressed my answer to H. H. G. office.



Benj. H. H. G., President.

Nov. 10 '05

National Photographic Co.

Gent^l

The fine photograph of Mr. Edison with his autograph, was received and duly acknowledged with thanks the same day*. I hope my seeming ingratitude will be blown aside by his explanation.

Very respectfully,
Benjamin.

[ENCLOSURE]

P.S.

If ever a gap should occur between Mr. Edison's original thoughts, it might amuse him to be told that one of his inventions (only a word this time) was invented by me about the time he was being born!

It must have been about 1845-'47, my brother, the late Sir Isaac Pitman was talking to me about some feature of the Phonographic system, when he said, "We ought to have a name for the words that are represented by single phonographic signs, and I have thought of the term "Logograph"."

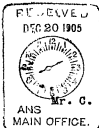
"Very good", I said "If we call the word a "Logograph" we might call the phonographic sign that represents the word a "Phonograph"."

These words were incorporated into the ^{English} ~~the~~ book and have been so used ever since. In many American Phonographic Instruction books, Anglo-Saxon terms are used

English Phonograph
American Word-sign
Example ' '

Logograph
Sign = word
for have

B. P.



COPY

Mr. C. H. Wilson, Mgr. of Sales, National Photograph Co.,

New York.

Dear Sir:--

We enclose you our check for \$1936.82 in full payment of your statement for \$7510.59, as follows:--

| | |
|---------------------------|-----------|
| Oct. 30th, freight, | \$ 419.70 |
| Oct. 31st, cash, | 5000.00 |
| Nov. 16th, Merchandise, | 4.07 |
| Nov. 8th, draft herewith, | 1936.82 |
| 2% discount on \$7510.59 | 150.00 |

\$7510.59

As we are sending you this amount something like sixty or ninety days in advance, the amount being due, as you will remember on the order which we gave you, there was one third of the balance above \$5,000. to be paid in sixty days and one third in ninety days, and one third in one hundred and twenty days, with the 2% discount deducted at the end of that time.

Our business has been so good and money has come in so freely and the Edisongoods have sold so well that we do not feel like availing ourselves of the liberal terms which you gave us in securing the order. We feel that you might as well have the money as to have it in the bank. We appreciate very much your liberality in allowing us this extra time with the usual discount, as we are paying to-day, as before stated, something like 60 days in advance. We might perhaps next Fall when we will probably get in a car load of machines, ask you for an extension of the usual time.

The balance of the order which we gave you was billed on Dec. 3d. This amounts to over \$1100. It is possible that we might allow this amount, or \$1000. of it, to go to the end of the 120 days, but if remittances are as good in January as they are this month, it will not be necessary.

We are happy to say that our business has been so good with the Edison jobbing, and that we now practically owe you nothing for goods received, and have a great many goods paid for that have not been received, and also have a few thousand dollars in the bank. We speak of this as we feel that you are interested in our welfare.

Will say further, that we have started a great many Edison dealers besides the ones already started by Mr. Baigalupi. Nearly all of them have ordered and re-ordered beyond our most sanguine expectations. We have made quite an advertising feature in the newspapers of the fact that you have been shipping us in our loads. It is a good advertising feature to give the public an idea of how many Edison goods have been received. FRANK W. GRAVES
Yours very truly, FRANK W. GRAVES & CO.

*This is an indication
Evidently the Pacific
Coast has very been
work with me as a
grad of 1904
Mr. C. H. Wilson
to-day
17/19
Portland Oregon
Officers
Dec. 10-1905*

[ENCLOSURE (PHOTOCOPY)]

SECOND CARLOAD OF PHONOGRAPHS

Received by Graves & Co. To-day Over the Northern Pacific.

The second carload of phonographs and records arrived today over the Northern Pacific direct from the two laboratories and factories in France, N. Y., consigned to Graves & Co. by Washington street, Seattle, as its sole agent. The carload consists of 100 tons with the same expanding interest. Although it had been known to us in that we would be overlooked, said Mr. W. Graves this morning, "the volume of trade has been such that we have been obliged to expedite our orders, so you may expect more carloads of these goods to follow in a few days."

The responsible feature of the new stock is the improvement to be noted in the construction of the machines,

Mr. Edison, who is giving these matters his continuous thought, has certainly hit upon some good things in the recent past. As soon as a change for the better is accomplished, it is incorporated in the machine. The patent upon the new machine, which thereupon are to be found upon the shelves of Graves & Co.

In sending the old Armand Chabrier to the great state Graves & Co. retained the distinction of having the largest phonograph lecture in America in the auditorium of the theater has been converted into large strating gallery, the stage turned into another auditorium, and the gallery is used to store the immense stock of records, which embrace over 10,000 selections. While at first a seemingly venturesome proposition, the move of attacking the theater by one which has developed over and over again, the order of Mr. W. Graves, the head of the move, is being made the best use considered. The auditorium is being fully decorated and reserved seats for the old theater's lecture series, and the lecture series are being in good the thousands of the records, which are placed in the auditorium. As planned in the prospectus, the work in Seattle, Graves & Co. have been made a part of the most successful phonograph lectures that ever will be given

by any similar firm in any part of the United States. The head of the firm's equality to the "old" American in the crowd which is giving the establishment, on the fact of carrying such a immense stock of records, which are exactly right of kind, this alone becomes the necessity for those who love good music and the best of the best.

AMERICANS ABROAD GATHER AROUND HANCOCK TABLE

Berlin, Aug. 21.—The Americans who gathered around the table of the United States at the banquet given here today were the first to be seen here since the departure of the American fleet from the harbor. The American flag was hoisted at the table, and the guests were seated around it. The banquet was given in honor of the American fleet, and was attended by a large number of the city's leading citizens. The guests included the United States consul, the American vice-consul, and a number of prominent business men. The banquet was a great success, and the guests were all in good spirits. The United States consul, Mr. W. W. Graves, was the guest of honor, and he made a short speech during the banquet. He congratulated the American fleet on its successful voyage, and he expressed his confidence in the future of the United States. The banquet was a very pleasant occasion, and it was a great pleasure for all the guests to be together. The banquet was given at the Hotel de Ville, and it was a very elegant affair. The guests were all well, and they all enjoyed the banquet very much. The banquet was a great success, and it was a great pleasure for all the guests to be together.

[CA. 1905. FROM JOHN E. HELM]

Local Company Stocks

| | | |
|-----------------|-------------|---------------------|
| New England Co. | | <u>Total Shares</u> |
| | | 20000 |
| Mr. Reed | 5349 | |
| N. A. Trust | 2001 | |
| Mutual | <u>3001</u> | |
| | | <u>10351</u> |
| | | 9649 |

| | | |
|-------------------|-------------|--------------|
| New York Co. | | |
| Total | | 25000 |
| Mr. Reed | 6902 | |
| Central Trust Co. | <u>5000</u> | |
| | | <u>11902</u> |
| | | 13098 |

| | |
|-------------------|------|
| N. A. P. Co. Bond | 1725 |
| In Negotiable | 1017 |

| | | |
|----------------|------|------|
| New Jersey Co. | | |
| Total | | 6250 |
| Mr. Reed | | |
| Trust Co. | 1250 | |
| N. A. P. Trust | 735 | |

| | | |
|---------------------|--|-------|
| Columbia Co. \$5.00 | | |
| Total | | 25000 |

| | | |
|-----------------------------|------|-------|
| Old Dominion Co. \$2.00 per | | |
| Total | | 30000 |
| Trust Co. | 6000 | |
| N. A. Trust | 571 | |

Georgia Co.

| | | |
|------------|-----|------|
| Total | | 2250 |
| Trust Co. | 450 | |
| N.A. Trust | 385 | |

Florida Co.

| | | |
|------------|-----|-----|
| Total | | 750 |
| Trust Co. | 150 | |
| N.A. Trust | 135 | |

Alabama Co.

| | | |
|------------|-----|------|
| Total | | 1500 |
| Trust Co. | 300 | |
| N.A. Trust | 255 | |

Louisiana Co.

| | | |
|------------|-----|------|
| Total | | 2500 |
| Trust Co. | 500 | |
| N.A. Trust | 571 | |

Pennsylv Co.

| | | |
|------------|------|------|
| Total | | 5000 |
| Trust Co. | 1000 | |
| N.A. Trust | 855 | |

Kentucky Co.

| | | |
|-------|--|------|
| Total | | 4000 |
|-------|--|------|

| | | |
|-----------|-----|--|
| Trust Co. | 800 | |
|-----------|-----|--|

| | | |
|------------|-----|--|
| N.A. Trust | 600 | |
|------------|-----|--|

Eastern Penn. Co. 80 par

| | | |
|-------|--|-------|
| Total | | 15000 |
|-------|--|-------|

| | | |
|-----------|------|--|
| Trust Co. | 3000 | |
|-----------|------|--|

| | | |
|------------|-----|--|
| N.A. Trust | 800 | |
|------------|-----|--|

Western Penn. Co. 100 par

| | | |
|-------|--|-------|
| Total | | 15000 |
|-------|--|-------|

| | | |
|-----------|------|--|
| Trust Co. | 3000 | |
|-----------|------|--|

Ohio Co.

| | | |
|-------|--|-------|
| Total | | 10000 |
|-------|--|-------|

| | | |
|-----------|------|--|
| Trust Co. | 2000 | |
|-----------|------|--|

| | | |
|------------|------|--|
| N.A. Trust | 2750 | |
|------------|------|--|

State Bond Co. of Illinois

| | | |
|-------|--|------|
| Total | | 2500 |
|-------|--|------|

| | | |
|-----------|-----|--|
| Trust Co. | 500 | |
|-----------|-----|--|

4

Minnesota Co.

Total 2125

Insur Co. 625

N. A. Trust 510

Iowa Co.

Total 6250

Insur Co. 1250

Missouri Co.

Total 6250

Insur Co. 1250

N. A. Trust 735

Texas Co.

Total 5000

Insur Co. 1000

N. A. Trust 545

Kansas Co.

Total 2125

Insur Co. 625

N. A. Trust 313

LIST OF STOCK
on
DEPOSIT WITH
CENTRAL TRUST COMPANY.

SCHEDULE OF CERTAIN PHONOGRAPH STOCKS

ON DEPOSIT WITH THE CENTRAL TRUST COMPANY OF N. Y. TRUSTEE,
 UNDER VARIOUS AGREEMENTS BETWEEN THE NORTH AMERICAN PHONO-
 GRAPH COMPANY AND JESSE H. LIPPINCOTT, TRUSTEE.

- ✓ \$250,000. ✓ The New York Phonograph Co. Stock, shs. \$100.
 each. 2500 shs. Ctf. 55. name of Central
 Trust Co. of N. Y. , Trustee.
- ✓ \$25,000. ✓ Columbia Phonograph Co. Stock shs. \$5. each.
2500 shs. Ctf. No. 110
5000 shs. Ctf. No. 110. name of Central Trust
 Co. of N. Y. Trustee.
- ✓ \$80,000. ✓ Kentucky Phonograph Company stock. -shs. \$100.
 each. 800 shs. Ctf. No. 3 name of Central
 Trust Co. of N. Y. Trustee.
- ✓ \$15,000. ✓ Florida Phonograph Company Stock. shs. \$100.
 each. 150 shs. Ctf. No. 25, name of Central
 Trust Co. of N. Y. Trustee.
- ✓ \$200,000. ✓ The West Coast Phonograph Co. Stock shs. \$100
 each. 2000 shs. Ctf. No. 99, name of Central
 Trust Co. of N. Y. Trustee.
- ✓ \$125,000. ✓ The Missouri Phonograph Co. Stock shs. \$100.
 each, 1250 Ctf. No. 643, name of Central
 Trust Co. of N. Y. Trustee.
- ✓ \$500,000. ✓ Pacific Phonograph Co. Stock, shs. \$100. each
5000 shs. Ctf. No. 433 name of Central Trust
 Co. of N. Y. Trustee.

Est missing

- ✓ \$200,000. ✓ Ohio Phonograph Co. Stock shs. \$100. each, 2000 shs. Ctf. No. 8 name of Central Trust Co. of N. Y. Trustee.

- ✓ \$125,000. ✓ The Iowa Phonograph Co. Stock shs. \$100. each 1250 shs. Ctf. No. 90 name of Central Trust Co. of N. Y. Trustee.

- ✓ \$250,000. ✓ Colorado and Utah Phonograph Co. Stock shs. \$100. each. 500 shs. Ctf. No. 13 name of Central Trust Co. of N. Y. Trustee.

- ✓ \$50,000. ✓ South Dakota Phonograph Co. Stock shs. \$100. each 500 shs. Ctf. No. 65 name of Central Trust Co. of N. Y. Trustee.

- ✓ \$50,000 ✓ Montana Phonograph Co. Stock. shs. \$100. each 500 shs. Ctf. No. 27 name of Central Trust Co. of N. Y. Trustee.

- ✓ \$62,500. ✓ The Kansas Phonograph Co. Stock shs. \$100. each. 625 shs. Ctf. No. 73 name of Central Trust Co. of N. Y. Trustee.

- ✓ \$125,000. ✓ New Jersey Phonograph Co. Stock shs. \$100. each 1250 shs. Ctf. No. 200 name of Central Trust Co. of N. Y. Trustee.

- ✓ \$45,000. ✓ Georgia Phonograph Co. Stock shs. \$100. each 450 shs. Ctf. No. 17 name of Central Trust Co. of N. Y. Trustee.

- ✓ \$300,000. ✓ Eastern Pennsylvania Phonograph Co. Stock, 150 000. shs. \$50. each, 3000 shs. Ctf. No. 3 name of Central Trust Co. of N. Y. Trustee.

| | | | |
|---|------------|---|---|
| ✓ | \$100,000. | ✓ | Texas Phonograph Co. Stock shs. \$100 each, 1000 shs. Ctf. No. 29 name of Central Trust Co. of N. Y. Trustee. |
| ✓ | \$60,000. | ✓ | Old Dominion Phonograph Co. Stock shs., \$10. each, 6000 shs. Ctf. No. 1 name of Central Trust Co. of N. Y. Trustee. |
| ✓ | \$125,000 | ✓ | Central Nebraska Phonograph Co. Stock shs, \$100. each. 1250 shs. Ctf. No. 83 name of Central Trust Co. of N. Y. Trustee. |
| ✓ | \$125,000 | ✓ | Nebraska Phonograph Co. stock shs. \$100. each 1250 shs. Ctf. 36 name of Central Trust Co. of N. Y. Trustee. |
| | \$250,000. | ✓ | Metropolitan Phonograph Co. Stock shs. \$100 each, 2500 shs. Ctf. B 125 name of Central Trust Co. of N. Y. |
| | \$50,000 | ✓ | The State Phonograph Co. of Illinois Stock shs. \$100, each 500 shs. Ctf. No. 39 name of Central Trust Company, of N. Y. Trustee. |
| | \$100,000. | ✓ | Spokane Phonograph Co. Stock shs. \$100. each 1000 shs. Ctf. No. 1 name of Central Trust Co. of N. Y. Trustee. |
| | \$150,000. | ✓ | Western Pennsylvania Phonograph Co. Stock shs. \$50. each, 3000. shs. 123 name of Central Trust Co. of N. Y. Trustee. |

Est. missing

- ✓ \$40,000. ✓ Chicago Central Phonograph Co. of Chicago.
Stock shs. \$100. each, 400 shs. Ctf. 127 name
of Central Trust Co. of N. Y. Trustee.
- ✓ \$62,500 ✓ Minnesota Phonograph Co. Stock shs. \$100.
each 625 shs. No. 7 name of North American Phonograph Co.
endorsed over to Central Trust Co. of N. Y.
Trustee.
- ✓ \$50,000 ✓ The Louisiana Phonograph Co. Ltd. Stock shs. ⁵⁰⁰
\$100. each Ctf. 55 name of Central Trust Co.
of N. Y. Trustee.

STOCK OF NEW ENGLAND PHONOGRAPH COMPANY.

DEPOSITED UNDER AGREEMENT DATED NOVEMBER 5TH, 1888, BETWEEN
CHEEVER, NEW ENGLAND PHONOGRAPH COMPANY AND CENTRAL TRUST
COMPANY.

- ✓ \$400,000 ✓ The New England Phonograph Co. shs. \$100
each, Ctf. No. Name of Central Trust Co.
of N. Y. Trustee. 4000 shs.

30,000. ✓ The Alabama Phonograph Co. Shares
\$100 each - Certif. No. 32 for 300 shares
name of Central Trust Co. of N. Y. Trustee

100,000. ✓ The Tennessee Phonograph Co. Shares
\$100 each - Certif. No. 3 for 1000 shares
name of Central Trust Co. of N. Y. Trustee

50,000. ✓ The Wyoming Phonograph Co. Shares
\$100 each - Certif. No. 22 for 500 shares
name of Central Trust Co. of N. Y. Trustee

| Name. | Territory | Date Original Agreement | Consideration | Date Expiration Agreement | Stock Deposited | Date Expiration Agreement | Remarks |
|---|---|-------------------------|---------------|---------------------------|-----------------|---------------------------|-----------------------------|
| Michigan Ohio Co. | Michigan | October 10, 1888. | \$ 30,000. | | | August 6, 1892 | |
| Metropolitan Ohio Co. | New York, Columbia of New York, Rochester, Richmond, Buenos Ayres, and Uruguay. | October 12, 1888. | 100,000. | June 23, 1889 | 2500 | | |
| New England Ohio Co. | Maine New Hampshire Vermont Massachusetts Rhode Island Connecticut | October 12, 1888. | 100,000. | ----- | ----- | January 1, 1894 | |
| Wisconsin Ohio Co. | Wisconsin | October 12, 1888. | 25000. | | | August 24, 1892 | |
| Iowa + Nebraska Ohio Co. | Iowa Nebraska Wyoming South Dakota Montana | November 15, 1888 | 100,000. | | | ----- | Cancelled January 24, 1894. |
| Kansas Ohio Co. | Kansas New Mexico | November 15, 1888 | 100,000. | | | ----- | |
| George J. Whitney | West Virginia and 40 Counties in West. | December 1, 1888 | | A. June 13, 1889 | | | |
| Melvin Penn & Ohio Co. | | | | B. October 24, 1890 | | December 1, 1892 | |
| Pacific Ohio Co. | California Nevada Arizona | January 7, 1889 | 40,000. | A. June 13, 1889 | | August 24, 1892 | |
| Ohio Ohio Co. | Ohio | January 9, 1889 | 80,000. | | | | |
| Edward J. Easton Columbia Ohio Co. | Maryland Delaware Dist. of Columbia | January 15, 1889 | 25000. | B. June 13, 1889 | | | |
| John L. Martin Florida Ohio Co. | Florida | January 26, 1889 | 5000. | B. June 13, 1889 | | | |
| John P. Kainer The New York Ohio Co. | New York, except Columbia from to Metropolitan Co. | February 6, 1889 | 125,000. | B. June 13, 1889 | 2500 | | |
| Iowa Ohio Co. | Iowa | February 1, 1889 | | A. June 13, 1889 | | | |
| Appalachee Ohio Co. | Texas Oregon East of 114° Washington L. | February 4, 1889 | 100,000. | A. July 13, 1890 | | September 14, 1892 | |

| | | | | | | |
|--|---|--------------------------------|----------|----------|-----------------------------------|----------------------------------|
| West Coast Ohio Co. | Oregon, Pool of Washington 344° L. | February 14, 1889 | 1. | A | June 13, 1889 | October 18, 1892 |
| New Jersey Ohio Co. | New Jersey | February 19, 1889 | 50,000. | A | June 13, 1889 | ----- |
| Minnesota Ohio Co. | Minnesota | January 21, 1889 | 1. | A | June 13, 1889 | December 1, 1892 |
| William J. Harrison John C. Wood Albert W. Blaney Missouri Ohio Co. | Missouri Arkansas Indian Territory | March 7, 1889 | 50,000. | C. | June 13, 1889 | February 1, 1893 |
| John L. Inglis Georgia Ohio Co. | Georgia | March 11, 1889 | 15,000. | B. | June 25, 1889 | August 31, 1892 |
| Alabama Ohio Co. | Alabama | April 1, 1889 | 10,000. | A. | June 13, 1889 | November 22, 1892 |
| Rollins Investment Co. Colorado & Utah Ohio Co. | Colorado Utah | April 14, 1889 | 20,000. | B. | June 13, 1889 | October 13, 1892 |
| Kentucky Ohio Co. | Kentucky | April 15, 1889 | 35,000. | A. | July 3, 1889 | March 20, 1893. |
| South Dakota Ohio Co. | Dakota, South of T. & M. Standard Parallel | April 18, 1889 | 1. | A. | June 13, 1889 | May 15, 1893 |
| Montana Ohio Co. | Montana | May 10, 1889 | 1. | A. | June 13, 1889 | ----- |
| L. Halsey Williams Eastern Penn Ohio Co. | Pennsylvania 21 Counties | May 14, 1889 | 1. | B. | September 3, 1889 | October 1, 1892 |
| Tennessee Ohio Co. | Tennessee | June 18, 1889 | 1. | A. | July 3, 1889 | ----- |
| Wyoming Ohio Co. | Wyoming | June 27, 1889 | 1. | A. | August 19, 1889 | August 11, 1892 |
| Nebraska Ohio Co. | Nebraska, East of William Standard | October 1, 1889 | 1. | A. | December 31, 1889 | August 10, 1892 |
| Central Indiana Ohio Co. | Indiana, West of William Standard | October 1, 1889 | 1. | A. | December 2, 1889 | ----- |
| Del. Dominion Ohio Co. | Virginia, North and South Carolina | November 18, 1889 | 1. | A. | December 2, 1889 | January 12, 1893 |
| Delaware Ohio Co. | Delaware | November 19, 1889 | 1. | A. | December 2, 1889 | March 17, 1893 |
| Chicago Southern Ohio Co. | Illinois - Cook County | February 11, 1890 | 1. | A. | December 16, 1889 | January 3, 1893 |
| State Ohio Co. of Illinois Louisiana Ohio Co. Ind. | Illinois - West Cook & Lake Louisiana | May 20, 1890 March 11, 1891 | 1. 1. | A. A. | August 22, 1890 March 30, 1893 | August 17, 1892 April 1, 1893 |

| <u>no.</u> | <u>original</u> | <u>extension</u> | <u>Amplification</u> | <u>Cash paid</u> | <u>Remarks</u> |
|------------|---|----------------------|--------------------------|------------------|---|
| | <u>Georgia</u> | <u>June 23, 1889</u> | | | |
| ✓ 21 | West Coast Phone Co. | Feb. 4, 1889 | A June 13, 1889 | Oct. 18, 1892 | 1. Purchase made by divid. Co. |
| ✓ 22 | Alabama | Apl. 1, 1889 | A June 13, 1889 | Nov. 22, 1892 | 10000. Alabama |
| ✓ 23 | Hollins Investment Co. Col. & Utah Phone Co. | Apl. 4, 1889 | B June 13, 1889 | Oct. 13, 1892 | 20000. Colorado Utah |
| ✓ 24 | ^{with} SDakota Phone Co. | Apl. 18, 1889 | A June 13, 1889 | May 15, 1893 | 1. Dakota bank of 1976 Bank of South Dakota |
| ✓ 26 | Kentucky Phone Co. | Apl. 18, 1889 | A July 8, 1889 | March 30, 1893 | 35000. Kentucky |
| ✓ 27 | Tennessee Phone Co. | June 18, 1889 | A July 8, 1889 | | 1. Tennessee |
| ✓ 25 | Montana Phone Co. | May 10, 1889 | A June 13, 1889 | | 1. Montana |
| ✓ 12 | John P. Haines New York Phone Co. | Feb. 6, 1889 | B June 13, 1889 | July 1, 1893 | 125000. New York Company of Haines, Barnes, and Casson, 100 Wall St. N.Y. |
| ✓ 2 | Metropolitan Phone Co. | Oct. 12, 1888 | June 23, 1889 | | 100000. |
| ✓ 1 | Michigan Phone Co. | Oct. 10, 1888 | | Aug. 6, 1892 | 30000. Michigan |
| ✓ 6 | Kansas Phone Co. | Nov. 15, 1888 | A June 13, 1889 | | 1. Kansas |
| ✓ 4 | Wisconsin Phone Co. Metropolitan | Oct. 12, 1888 | | Aug. 24, 1892 | 25000. New Jersey Wisconsin |
| | | Jan. 10, 1890 | | | |
| | | Jan. 18, 1890 | | | |
| ✓ 5 | Iowa & Nebraska Phone Co. | Nov. 15, 1888 | | | 1. Consolidated Jan 24/90 |

Iowa
Nebraska
Wyoming
Dakota
Montana

balance of N.Y.

The N.Y. Co. & Int. P. Co. consolidated report 24, 1890

CONTRACTS WITH SUB-COMPANIES.

PRINTING MACHINES
 PATENTED BY AMERICAN
 TYPE SETTING MACHINE CO.

| NAME OF COMPANY | ORIGINAL ^{Agreement} Contract | EXTENDED ^{in Termination Agreement} | Agreement ^{Contract} | Cash paid | Territory |
|---|---|--|-------------------------------|-----------|--|
| ✓ 3 N. E. Phono. Co. | Oct. 12, 1888 | Jan. 18, 1889 | Jan. 1, 1894 | 100 000. | Minnesota, North Dakota, Pennsylvania, Wisconsin, Ohio, and New Jersey |
| ✓ 17 N. W. Phono. Co. | Feb. 19, 1889 | A June 13, 1889 | | 50 000. | New Jersey |
| ✓ 28 E. Halsey & Williams Eastern Pa. Phono. Co. | May 14, 1889 | B Sep. 3, 1889 | Oct. 1, 1892 | 1. | 21 Counties of Pennsylvania |
| ✓ Louisiana Phono. Co. | Nov. 11, 1891 | | | 1. | Louisiana |
| ✓ 18 Iowa Phono. Co. | Feb. 1, 1889 | A June 13, 1889 | Apr. 1, 1893 | 1. | Iowa |
| ✓ 16 Minnesota Phono. Co. | Jan. 21, 1889 | A June 13, 1889 | Dec. 1, 1892 | 1. | Minnesota |
| ✓ 20 Spokane Phono. Co. | Feb. 4, 1889 | A July 15, 1890 | Sept. 14, 1892 | 1. | Idaho, Oregon, Washington, California, and Utah |
| ✓ 30 State Phono. Co. of Illinois | May 20, 1890 | A Aug. 22, 1890 | Aug. 17, 1892 | 1. | Illinois |
| ✓ 29 Wyoming Phono. Co. | Jan. 22, 1889 | A Aug. 19, 1889 | Aug. 11, 1892 | 1. | Wyoming |
| ✓ 20 Central Nebraska Phono. Co. | Oct. 1, 1889 | A Dec. 2, 1889 | | 1. | Nebraska |
| ✓ 31 Old Dominion Phono. Co. | Nov. 18, 1889 | A Dec. 2, 1889 | Jan. 13, 1893 | 1. | Virginia, North Carolina & South Carolina |
| ✓ 32 Texas Phono. Co. | Nov. 18, 1889 | A Dec. 2, 1889 | March 17, 1893 | 1. | Texas |
| ✓ 33 Nebraska Phono. Co. | Oct. 1, 1889 | A Dec. 21, 1889 | Aug. 10, 1892 | 1. | Nebraska |
| ✓ 34 Chicago Central Phono. Co. | Feb. 11, 1890 | A Dec. 16, 1890 | Jan. 3, 1893 | 1. | Nebraska, Iowa, Wisconsin, Ohio, and Illinois |
| ✓ 8 Pacific Phono. Co. | Jan. 7, 1889 | A June 13, 1889 | Aug. 14, 1892 | 4000 0. | California |
| ✓ 9 Ohio Phono. Co. | Jan. 9, 1889 | A June 13, 1889 | ? | 8000 0. | anywhere |
| ✓ 7 George I. Whitney } Western Pa. Phono. Co. } | Dec. 1, 1888 | B Oct. 28, 1890 | Dec. 1, 1892 | 1. | West Virginia, 46 Counties in Pennsylvania |
| ✓ 10 Edward D. Easton } Columbia Phono. Co. } | Jan. 15, 1889 | Jan. 13, 1889 B June 13, 1889 | | 25000. | Maryland, Delaware, West. N. Carolina |
| ✓ 11 John L. Marvin } Florida Phono. Co. } | Jan. 26, 1889 | B June 13, 1889 | | 5000. | Florida |
| ✓ 15 Allen } William J. Warren, } Ohio C. Wood } Wagon & Clancy } | March 2, 1889 | C June 13, 1889 | July 1, 1893 | 50000. | Missouri, Arkansas, Indian Territory |
| ✓ 19 } H. L. English } Georgia Phono. Co. } | Nov. 11, 1889 | B June 25, 1889 | Aug. 31, 1892 | 15000. | Georgia |

**National Phonograph Company Records
Correspondence, Foreign (1905)**

This folder contains correspondence and other documents relating to the marketing and supply of phonographs and cylinder records in Great Britain, Germany, Belgium, France, and other countries. Most of the items are letters to and from William E. Gilmore, president of NPCo. Other correspondents include James H. White, European sales manager; Walter Stevens, manager of the Foreign Department; and John R. Schermerhorn, assistant general manager. Among the documents for 1905 are letters pertaining to prices and litigation and to the quality, condition, and origin of phonographs and records offered for sale in Europe, Australia, and Mexico. There are also documents concerning the manufacture of records in Paris, Berlin, and Brussels under the direction of Edward Riehl, European superintendent of NPCo. These items include descriptions of the ingredients used in making the records and references to French copyright provisions. Also included are the minutes of the board meetings of NPCo, Ltd., for the period March-October 1905. Two letters at the end of the folder refer to the fire in the Moulding Department of the Paris factory.

Approximately 15 percent of the documents have been selected. Among the items not selected are letters regarding foreign patent rights, weekly and monthly remittances and accounts, and ongoing litigation over the unauthorized use of the name "Edison." Also not selected are the translated minutes of the Compagnie Française du Phonographe Edison (1904-1905).

CABLE ADDRESS: "ZYMOTIC, NEW YORK."
ALL PAT. COMMERCIAL, LIBERS, HUNTINES AND PRIVATE CODES USED.

TELEPHONE,
4410 FRANKLIN.



FOREIGN DEPARTMENT
OF THE
**NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.**

FACTORIES:
ORANGE, N. J. U.S.A.

EDISON PHONOGRAPHS
AND RECORDS.
EDISON PROJECTING KINETOSCOPES
AND ORIGINAL FILMS.
EDISON PRIMARY BATTERIES
AND TANK MOTOR OUTFITS.
BATES AND EDISON NUMBERING MACHINES.

83 CHAMBERS STREET,
NEW YORK, N.Y.

EUROPEAN OFFICE,
32 REMPART ST. BRUXELLES,
ANTWERP, BELGIUM.

New York, U.S.A. January 12, 1905.

Mr. W. E. Gilmore, Pres't.,
National Phonograph Co.,

Orange, N. J.



Dear Sir:--

I beg to hand you herewith a statement of sales for 1903 and 1904.-- In making comparison I would call your attention to the fact that in March, 1903, the European business was transferred to our London Office, and as previously stated this represented at least 80% of the entire business of the Foreign Department.

We continued, however, to execute some orders for which remittances were received in New York, for this territory to and including October, 1903. After that date European shipments were discontinued.

By referring to the statement you will note that our business for December, 1904, amounted to \$22747.75, as compared with \$13585.50 for December, 1903, showing an increase of \$9162.25.

I also enclose a statement showing our sales in Australia, India, So. Africa, China, Japan, Mexico, Cuba, & So. America, for 1901, 1902, 1903 and 1904.

You will note that our business in 1904 exceeded that of any previous year, however, we show a loss in South America and

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

January 12, 1905.

W.E.G.--2.

South Africa, also a slight loss in Australia, in explanation of which I beg to state as follows:

SOUTH AFRICA: Conditions in South Africa at the present time are very unsatisfactory, due to the fact that this country has not as yet recovered from the recent war and I am advised by parties who are thoroughly conversant with the situation that this country is practically bankrupt at the present time, but there is no doubt that conditions will soon improve.

SOUTH AMERICA: The conditions in this country are very unsatisfactory. A large part of our South American business has been done through New York Commission Houses, many of whom have representatives in the different South American cities. I have conferred with the managers of these several commission houses and they all agree that for the present, business in this country is practically dead. Our direct business has increased, but the loss sustained is on account of the several commission houses doing very little business in this territory. This particular field is a difficult one to handle; in the first place we are in direct competition with Germany, who have direct representatives on the ground and are flooding the country with cheap material, at the same time giving practically unlimited credit, whereas we demand cash in New-York against all orders. Secondly, we are handicapped on account of not being in a position to supply Phonograph Records

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

January 12, 1905.

W.F.G.--3.

acceptable to these people. There is a great demand there for first class Italian, Portuguese & Spanish Records. Now that we have 300 or more very superior Mexican Records, no doubt this will relieve the situation somewhat, although we should have not only an increased list of Italian but also a supply of Portuguese Records.

Another condition that we have been obliged to combat is the fact that invariably our South American clients desire something of a special nature in Phonographs supplied. We have repeatedly received orders for Edison Phonographs to bear some special name or title, also requests that changes be made in the construction of same. Of course, it was out of the question to consider a proposition of this kind, as I know how you feel about making any change in apparatus bearing Mr. Edison's name. In this respect the German manufacturers invariably comply with their requests and supply any special apparatus desired.

I am sure that if we can sometime in the future send a representative through this country, and at the same time supply acceptable phonograph records, an enormous business could be done.

AUSTRALIA:

I do not know of a richer field for our products than Australasia. There is no country on the face of the earth that is as loyal to the Edison interests as this. Many of our important jobbers and dealers could not be persuaded to carry in stock Phonographs or Records of any other make than

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

January 12, 1905.

W.R.G.--4.

Edison's. I quote as follows from letters received in the last Australian mail:

"Mr. Wortley, (Columbia's representative) was very much hurt because I would not admit that his goods were equal to yours, and urged me to give him an order for 1000 Records, as a sample order. I told him that I was well served by the Edison Company and could see no reason to change at the present."

Another writes:

"The Columbia Company have started here but the Edison goods are good enough for me."

Still another:

"I am sure you will agree with me that the Edison Phonographs are the only genuine Talking Machine made and I am satisfied that all others are imitation."

Every mail brings similar testimonials.

The Columbia Company have recently opened a large store in Sydney which they use as a distributing point and one of their best men, Mr. Wortley, is in charge. I have never considered the Columbia Co., as a competitor in Australia, as records sent there have been forwarded from London and I have been advised from time to time by the trade that these were very inferior. However, conditions have now changed and all supplies are sent from this country, and with their improved machines and records they are attracting no little attention, and there is no doubt that we shall be obliged to recognize them as competitors in the future.

Messrs. Osborn & Jordan, one of our largest jobbers in Sydney, have taken over the agency for the Pathé Records and are doing everything in their power to increase the sale.

The Edison-Bell Company of London, have also invaded

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

January 12, 1905.

W.R.G.--5.

this territory and are using every endeavor to advance the sale of their goods.

The Victor people have won over another one of our large jobbers, Messrs. J. Albert & Son. All these people continue to carry a stock of our goods, but the inducements offered by the other companies have proven detrimental to our interests.

In view of these conditions we cannot remain passive, if we are to hold our own.

The past year the Phonograph business in Australia has been in a chaotic state, due to the fact that price-cutting has been indulged in to a large extent. It is easy to understand how conditions of this kind could exist, when we realize that at least 75% of the business is done in Sydney and Melbourne, which naturally makes competition very keen. We have been urged from time to time to introduce our Agreements and thus enable dealers and jobbers to maintain prices. I fully appreciate that before this can be done it is necessary that the legal end be looked into very carefully. However, I am convinced that the trade is so thoroughly interested, ^{that} if our agreements were distributed, they would not only be signed, but strictly adhered to without resorting to legal measures. If at any time it was found that any jobber or dealer was violating this agreement, now that this trade is controlled by the Foreign Dept., I think that by simply refusing to execute orders, the difficulty would be remedied.

To show you how our jobbers feel about this matter,

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

January 12, 1905.

W.R.G.--6.

would state, that I have received a communication from a jobber in Melbourne, advising that a meeting of the prominent jobbers and dealers had been called and an agreement signed by all present that certain prices be maintained. These prices representing the list prices of our apparatus, to which duty and all landing charges were added.

I simply mention the above so that you may understand that these people are deeply in earnest and are certainly doing all they can to protect the trade.

I believe that if we could establish a distributing depot in Sydney, placing a good man in charge and have him keep in close touch with the entire trade that we could do at least 75% of the entire phonograph business. On account of the distance from New York and the length of time required to receive goods, it would be necessary to carry a consignment account, representing about \$80,000. If this plan is not feasible, the next best thing to do, would be to send a man there to visit the entire trade, spending say about 3 to 4 months on the field. This would mean an absence from New York of about 6 months. He could take our agreements with him, see that they are thoroughly introduced and get the business in good working order and I have no doubt that the increase in business would fully warrant the expenses incurred.

Would it not be well - pending other arrangements - to have Mr. Cabanas undertake this work? This he could do and return by the time you have definitely settled the course you wish to pursue

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

January 12, 1905.

W.E.G.--7.

in Mexico. I am sure that we could find no better man.--One of the most enthusiastic phonograph men I have ever met.

I have omitted one other suggestion regarding the demand for Records in Australia.---- All records as issued with the exception of foreign selections are very acceptable in Australia, and we are receiving large orders, but there is a demand which is constantly increasing for a limited number, at least, of British subjects. We have issued no British supplements later than May, 1904, and if we could supply from time to time, even a limited number of British Records, I am sure the trade would greatly appreciate our efforts. I might also add that during our entire business experience there, our losses have not exceeded \$100.00, which I believe is a very good record when you consider the amount of business done.

MEXICO:

Anticipating Mr. Cabanas's trip to Mexico, I obtained from there one of their latest directories and sent out about 10,000 complete sets of our catalogues. These catalogues were addressed principally to merchants who were likely to become interested and I believe this together with Mr. Cabanas efforts is responsible for the increase of our business, which is nearly double that of 1903. I will not at this time go into details of Mr. Cabanas trip, but have asked him to submit a full report, which he will do in the course of a few days and I will then forward same to you.

NATIONAL PHOTOGRAF COMPANY
FOREIGN DEPARTMENT.

January 12, 1905.

W.H.G.--8/

CUBA:

This is a very satisfactory field and by referring to the enclosed statement you will note that our business is constantly increasing there and in 1904 we more than doubled the business of the previous year.

Sometime ago I followed the same plan as in Mexico, and distributed a large amount of literature in this country and I trust the time is not far distant when we can send a capable representative into this territory, take a limited number of popular selections and also thoroughly canvass South America.

Should you desire further information, I will very gladly submit same to you.

Very truly yours,

Walter D. Brown
MANAGER FOREIGN DEPT.

WS/AL/ENCL.

[ENCLOSURE]

SALES

| | AUSTRALIA | INDIA | SO. AFRICA | CHINA | JAPAN | MEXICO | CUBA | SO. AMERICA |
|------|-----------|---------|--------------------|----------|--------|---------|---------|-------------|
| 1901 | 4148442 | 4809266 | 778570 | 552637 | 90051 | 1662487 | 392226 | 2905370 |
| 1902 | 5120557 | 4871816 | 1250240 | 322018 | 22052 | 1427739 | 401179 | 2601609 |
| 1903 | 6384780 | 3064165 | 650506 | 251971 | 38334 | 1059665 | 546519 | 2975810 |
| 1904 | 6067489 | 4335761 | 535201 | 325177 | 616487 | 2001178 | 1116516 | 2022470 |
| | | | <u>Total Sales</u> | | | | | |
| | | | 1901 | 15338972 | | | | |
| | | | 1902 | 16209210 | | | | |
| | | | 1903 | 14977968 | | | | |
| | | | 1904 | 17020279 | | | | |

MAILED CHECKS AND DRAWS PAYABLE TO NATIONAL PHONOGRAPH CO.

STATEMENT.

NEW YORK, _____

M. *Mills* _____

TO NATIONAL PHONOGRAPH CO., DR.

FOREIGN DEPARTMENT.

PAID TO _____

83 CHAMBERS ST. NEW YORK.

| | | |
|-------------|----------|----------|
| Am | 5447283 | 12302158 |
| Arg | 50174112 | 10227208 |
| Brazil | 8280631 | 10205310 |
| Col | 4267174 | 10674120 |
| France | 2324610 | 1039070 |
| Germany | 2540866 | 1087200 |
| Italy | 2481100 | 1061900 |
| Netherlands | 2062340 | 1681628 |
| Spain | 3472623 | 1121203 |
| Sweden | 2607263 | 2026053 |
| Switzerland | 1744018 | 1728062 |
| U.S.A. | 1328550 | 2274775 |

ADRESSE TELEGRAPHIQUE
RAMDOMLY-BRUXELLES

TRADE
Thomas A. Edison,
Jr.
EDISON PHONOGRAPHS
And Records
Enregistrements
LONDRES
BRUXELLES
PARIS.
BERLIN.

National Phonograph Co

WAX DEPARTMENT
84, Rue Scheutveid, 84
BRUXELLES

Record - Mamy.

Usines :
ORANGE N. J. U. S. A.
BERLIN.
PARIS
BRUXELLES
VIENNE

COPIE

M^r J. M. L. Gilmore
Orange N. J. U. S. A.

Bruxelles, le 1^{er} Jan. 1908



Dear Sir:-

I have your letter dated Dec 31st in which you state that your conclusion was after a talk with M^r White that our Depandé plant must be in a very demoralized condition.

I do not wish to accuse or excuse any one or shift any responsibility on someone else, but assume all responsibilities and blame of all the transactions of our European factories and, if I did not succeed in giving you entire satisfaction, I am the head of our technical Dept. assume the blame.

While there is room for rather a large field for improvements at our Brussels works and a change of management absolutely necessary, it is safe to state that it is not quite so bad as painted and very largely exaggerated and magnified.

(We have done) all that was humanly possible to put our four (4) plants in working order in the shortest possible space of time & put them on a working basis, then turn them over to a man whom I thought would be able to put

ADRESSE TÉLÉGRAPHIQUE
RANDOMLY-BRUXELLES

TRADE
Thomas & Edison.
MARK
EDISON PHONOGRAPHS
And Records
Enregistrements
LONDRES
BRUXELLES
PARIS.
BERLIN.

National Phonograph Co.

WAX DEPARTMENT
84, Rue Scheutveld, 84
BRUXELLES

TÉLÉPHONE 6452

Usines :
ORANGE N.Y. U. S. A.
BERLIN.
PARIS
BRUXELLES
VIENNE

COPIÉ

Bruxelles, le Jan 16th 1905

and continue the direction thereof satisfactory; if I made an error in my choice I repeat that I accept the full blame.

(2)
It is true that I have not visited Berlin plant for several months (and informed Mr. White when last week here before sailing to U.S.) I have been very busy here erecting our wax plant of which I assumed the direction personally (until such time this plant can continue without my assistance) All purchases, experiments, mixing of waxes etc has been done under my supervision consequently most of my time was absorbed by this plant of late which was absolutely necessary as no one inexperienced could have attended to all details involving big quantities of material which under no circumstances could I allow to be put a green hand and leave it even a short time. Of course when all is running completely and satisfactorily my intention is to put someone in charge of the manufacturing Dept. but I intend to continue the direct supervision of the general direction of this Dept. I was kept informed at all times of the running of Berlin plants and with the aid of correspondence & reports etc I was satisfied Berlin plant was being operated satisfactorily, so well as could be expected.

In regard to the issuing of new selections especially Xmas cards selections I wish to submit the following facts to your judgment: London wished to put all; American & British Xmas selections on one catalogue or special

Prière d'adresser toute communication en réponse à cette lettre au "Wax Department"

ADRESSE TÉLÉGRAPHIQUE
RAMDOMLV-BRUXELLES

TRADE
Thomas & Edison
MARK
EDISON PHONOGRAPHS
And Records
—
Enregistrements
—
LONDRES
—
BRUXELLES
—
PARIS.
—
BERLIN.

National Phonograph Co

WAX DEPARTMENT

84, Rue Scheutveld, 84

BRUXELLES

Usines:

ORANGE N. J. U. S. A.

BERLIN.

PARIS

BRUXELLES

VIENNE

COPIÉ

TELEPHONE 8182

Bruxelles, le Jan 16th 1905

Xmas Supplement and the last moulded masters of Xmas selections #8842-13153 arrived at the Brussels factory Nov 7th 04. Nov 21st 04 balance of all Xmas records selections were dispatched to London for approval (I refer to samples) London then sent in orders with instructions not to ship unless all orders could be shipped together & complete. At the moment when these orders were rec'd here we had a good sized stock of records on hand here (which were meanwhile manufactured) which were ready to ship & could have shipped all orders complete but for a few selections of which an abnormal quantity has been ordered & owing to the limited number of moulds on hand of these selections we had to hold the orders back all boxed & ready to ship of a few running records which had to be manufactured, hence the delay of a few days of the date at which these orders had been promised and should have been shipped. I do not fear however to state that had there been a better management & more foresight we could have probably spared some days but if you take the date when masters arrived and when the samples were sent to London for approval in consideration there was no time to lose. Yet I do not wish to hurt anyone and repeat that with proper management & foresight we could have spared some days.

In regard to the selection the "School girl" the rec'd masters of this selection at the Brussels plant Dec 15th 04 & M^r White said I believe the 17th Dec

Prière d'adresser toute communication en réponse à cette lettre au "Wax Department"

ADRESSE TELEGRAPHIQUE
RAMOONLY-BRUXELLES

TRADE
Thomas A. Edison
MARK

EDISON PHONOGRAPHS

And Records

Enregistrements

LONDRES

BRUXELLES

PARIS.

BERLIN.

National Phonograph Co^o

WAX DEPARTMENT

84, Rue Scheutveld, 84

BRUXELLES

TELEPHONE 602

Usines :

ORANGE N. J. U. S. A.

BERLIN.

PARIS

BRUXELLES

VIENNE

COPIE

Bruxelles, le 190

how he could have told you that we were behind in issuing this selection is beyond my comprehension. There is bound to be a delay of some selection all the time if the recording Dept records more selections than our capacity to manufacture permits. For instance, the recg Dept records 40 selections which masters are shipped to the factory & 25 to 30 of them are listed the remaining 10 or 15 will be used for the following supplement which is liable to be issued one month after, therefore there is unavoidable delay and hope London will understand this. The time to ship, ^{manufacture} master moulds, regular moulds etc etc is necessary and should be considered. I do not know whether London has the popular selection recorded at the same time as our competitors do?

We have besides our American selections close on to 300 British selections on British Catalogue and have a stock of 246,579 records to-day after the rush of orders. I have no reasons to doubt the sincerity of Mr White's statement to you or that he should have blamed the Factory to offset the sales or for other purposes (as that would be a very poor principle on his part & do not think him capable of this) but he is certainly in error in some of his statements.

In reply to your inquiry what method I have pursued in regard to visiting our plants I wish to state that I have visited our plants regularly up to the time I began the erection of our wax plant which took a good deal of my time besides my regular work directing the other factories & intend to resume this when

Prière d'adresser toute communication en réponse à cette lettre au "Wax Department"

ADRESSE TÉLÉGRAPHIQUE
RAMDOMLY-BRUXELLES

TRADE
Thomas A. Edison
MARK

EDISON PHONOGRAPHS
And Records

Enregistrements

LONDRES
—
BRUXELLES
—
PARIS.
—
BERLIN.

COPIÉ

National Phonograph Co^o

WAX DEPARTMENT

84, Rue Scheubveld, 84

BRUXELLES

Bruxelles, le

Usines:

ORANGE N. J. U. S. A.

BERLIN.

PARIS

BRUXELLES

VIENNE

TELEPHONE 6172

190

was plant can dispense with my assistance. Needless to mention that even
some months passed without me paying a visit to Berlin plant, I am
satisfied according to reports & correspondence, informing me of all
details, that our plant was not neglected. I am writing you all these details
as which is in accordance of your request.

I am taking the management of the Brussels plant shortly (I hope to
be able to do so in about one week) and conduct the direction there, until
I find a proper man to take hold of it and fully agree with you that this
course is necessary to secure better conditions, as the remark for the poor
percentage of finished records I attribute directly to those conditions.

I am now then pleased to learn Mr. J. Q. Schermerhorn is to visit
us in the near future in order to inspect our factories & note and report
true conditions.

My correspondence is getting so heavy that I am engaged now to
find a man worth and man for the 2 languages (French & English).

Very Respectfully Yours,

J. J. [Signature]

SHEET No.

DATE,

EDISON PHONOGRAPH WORKS

Phon. - Many.

Jan. 19, 1905.

G. Croydon Marks, Esq.,

London, England.

Dear Sir:

Referring further to your letters of Nov. 2nd and 25th, on the subject matter of Board Meetings, as I have already indicated to you in a letter that I handed Mr. Schermerhorn just before he left, I realize, of course, that you have had more or less talks with Mr. White as to the general management of the business of the National Limited and its subsidiary companies, but on the other hand I am afraid that those informal talks have been at such times and in such a way that you have not had the full facts before you to pass upon them intelligently, as from time to time problems will come up that cannot be decided on the minute and must have due and careful consideration.

I notice in your letter that you think a Board Meeting once a month would be sufficient, but my impression is that you will not be able to cope with the present situation by having only one meeting per month for the next few months, and it would seem to me that if you could arrange to have meetings, say for the next three or four months semi-monthly it would enable you to grasp the situation better, and then after the bulk of the work has been completed the meetings can be arranged to take place once a month, when all matters can be taken up and discussed on the lines indicated in your letter. If you think well of this I would suggest that you arrange it with Mr. White.

2. 1/19/05.

G. Croydon Marks.

Now in regard to the statements, I agree with you that what is called for should be arranged, except the following. I will take each one up separately and discuss each as I go along.

1. Statements showing all accounts due the company and owed by the company; no checks to be drawn except for current wages and general expenses other than those approved at the Board Meeting.

I hardly see how this can be carried out, as from our standpoint I have given orders, and wish that you would co-operate with me regarding it, to the effect that over and above a stipulated amount remittances should be made to us here weekly, regardless of the exchange. As I have already told you in my letter, the consignment account of the National Limited is very large; a statement that I have before me up to Jan. 14th, 1905, shows this consignment account to be \$535,551.11. Of course this represents goods in transit as well as goods on hand. I see no reason why other payments should be made, except, of course, immediate current expenses and wages, until same are approved by the Board at their regular meetings, and payments sent to us can be tabulated and shown at any and all such meetings.

2. Statements to be prepared showing the business done and giving the stock on hand and unfilled orders.

I see no good reason why this cannot be arranged for, except that the stock of records on hand would be approximate, but it, nevertheless, can be shown.

3. A list of all orders, giving date of receipt and showing date same was filled, so that any complaints as to delay and questions as to preference can be dealt with at that time.

This is entirely approved.

4. Salary statement complete, with list of employees, their duties, etc.

This is a very important statement, and wherever possible this

3. 1/19/05.

G. Croydon Marks.

should be reduced whenever business warrants a reduction, and increased, of course, when necessary.

5. A list of proposed new records for future stock, together with proposals for engagements of artists and others.

Of course new monthly lists can be gotten out and arranged for the same as here, and the work can be so arranged that this can be anticipated and passed upon well in advance. I am a little doubtful about the engagement of artists, bands, orchestras, etc., but I think that after the work gets going well this can also be arranged readily.

6. A list of records made, together with the cost of the recording department and all other expenses in connection therewith.

There is no question but that this can be readily arranged for.

7. Advertising and publicity matters.

This is also important, and the question of the amount to be expended for advertising purposes should be taken up and decided monthly in advance.

8. All other important matters in the way of disputes as to accounts, and in fact, any other matters concerning the general welfare of the business.

It goes without saying that this should likewise be brought up and discussed and settled upon at each and every meeting.

I realize that this covers quite a few items, and that other matters may come up, which we will designate as generalities, and where other points occur to you from time to time as the meetings progress it would seem to me proper that statements, if necessary, should be prepared and submitted at the meetings.

I discussed this matter quite fully with Mr. White when he was here and he acquiesced in everything, so that there is no good reason why ~~any thing~~ ^{same thing} should not be taken up by you and him and arranged for at once.

SHEET No.

DATE,

EDISON PHONOGRAPH WORKS

4. 1/19/05.

G. Croydon Marks.

Mr. Schermorhorn will have seen you ere you receive this letter, and I will say to you now that I have discussed all of these matters very fully with him, and I am supplementing what I have told him by this letter so that you will understand that he has full authority to act for me in any and all matters, and I would suggest that you make arrangements to call the meetings periodically. I would also suggest, and it is my desire, that whilst Mr. Schermorhorn is there he be asked to attend all such meetings, to enable him to enter into any discussions that may come up, just the same as if I were present personally.

A copy of this letter has been transmitted to Messrs. Schermorhorn and White for their information and guidance, and I trust to learn that everything has been arranged for and that our mutual business interests will be most carefully conserved from now on.

Yours very truly,

President.

WEO/IWW
JRS
JHW

CABLE ADDRESS: "EZYNOTIC, NEW YORK."
A. S. B. COMMERCIAL, LITERARY, SHIPPING AND PRIVATE CODES USED.

TELEPHONE,
4410 FRANKLIN.



FOREIGN DEPARTMENT
OF THE
**NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.**

FACTORIES:
ORANGE, N. J., U.S.A.

EDISON PHONOGRAPHS
AND RECORDS.
EDISON PROJECTING KINETOSCOPES
AND ORIGINAL FILMS.
EDISON PRIMARY BATTERIES
AND FAN MOTOR OUTFITS.
BATES AND EDISON NUMBERING MACHINES.

83 CHAMBERS STREET,
NEW YORK, N.Y.

EUROPEAN OFFICE,
32 REMPART ST. GEORGES,
ANTWERP, BELGIUM.

New York, N.Y. Jan. 23, 1905.

Mr. Walter Stevens,

In pursuance of your instructions, I beg to report on the Phonograph business conditions in Mexico, as found on my recent trip there.

I believe my correspondence with reference to the Record Taking has kept you fully informed as to what was done in Mexico by us in this connection, and it will, therefore, not be necessary to further report on this part of my work to any extent. From the opinions expressed by our dealers and other parties whom I consulted in Mexico, as well as those I have heard here, these Mexican Records appear to be satisfactory and will no doubt find a ready market. I wish, however, to again call your attention to the fact that for the better class trade in Mexico (and I believe this condition obtains likewise in other Spanish-American countries) a selection of high class Italian vocal Records is necessary. The Italian songs at present listed in our Foreign Record list is almost totally inadequate to fill this demand, owing largely to the inferiority of the Records and also in a measure to the fact that most of the singers are not very widely known. The present popularity enjoyed by the Victor machines and records in Mexico is undoubtedly due, I might say, wholly, to their fine Italian vocal repertoire. These Records sell very well, in spite of the very high prices charged (\$5.50 for 10" and \$7.00 for 12" discs, Mex. C.). Our Mexican Dealers, as I wrote you, were very anxious to have some Italian selections taken in Mexico, especially of Mme. Tetrazzini, whose opera troupe was there at the time. I understand

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

W.S. -2- 1/23/05.

that Italian selections are being taken in Europe, and it would undoubtedly prove stimulating to our Spanish American trade if these could be supplied there at an early date. The Columbia people, who some months ago were taking Records in Italy, have seen the necessity of listing them for Spanish-American countries, and though I believe they have not as yet placed them on the Mexican market, shortly before leaving Mexico I was shown an advance list which had been sent to their Manager there.

COMPETITION:

Our principal competitors in Mexico are the Victor Talking Machine and the Columbia Graphophone. The Victor has been pushed actively by the General Agent, J. V. Schmill, for about three years. He advertises extensively and has dealers in all of the largest cities. A very good business has been established, especially with the higher classes, who, owing to the fine opera selections they list have begun to show a marked preference for the Victor over other machines. The Victor people list about fifty Mexican selections of 150 taken by them, most of the masters having been lost in the recent fire at their factory. This machine is very surely working it's way into the best homes.

The Columbia people are represented by Mr. Joaquin Espinosa, who was given the General Agency in Mexico the latter part of 1903. He has a very competent Manager at the head of the business, a Mr. Wilkinson, who, I understand was virtually appointed by the Representative of the Columbia Co. who made the necessary negotiations with Mr. Espinosa. They are advertising extensively and are pushing the business aggressively throughout the country, keeping men constantly on the road and going even to the extent of placing goods in consignment when found necessary to do so to get a Dealer started. They list at present about 250 Mexican selections in both disc and cylinder Records, and although these are extre-

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

W.S. -3- 1/23/05.

mely poor, they are selling well owing to the fact that there has been nothing else for the people to choose from.

There is some small competition from cheap German and French talking machines, but this amounts to very little. Italian and Spanish soft wax Records have been sold there extensively, owing to there having been nothing in the moulded form to fill this requirement. Generally speaking, Edison Phonographs and Records are thought of more highly than any others, but this prestige is rapidly being overcome by the efforts of the other companies.

PRICE CUTTING:

Upon my arrival in Mexico City I found the price conditions in rather a chaotic state. Price cutting was indulged in to a ruinous extent, and prices were consequently down to ridiculously low figures. Our goods got the brunt of this price situation because the representatives of competing goods naturally did what was possible to protect themselves. Although not entirely improved, the present conditions are not quite so bad, owing to the Dealers having agreed among themselves to uphold prices. However, there appears to be some bad faith shown in living up to this agreement.

The development of our business is undoubtedly severely handicapped by existing conditions, and it would appear advisable to correct ~~them~~ at as early a date as possible. This I believe would not be a difficult matter, especially now, when our business in Mexico is only in its infancy. The fact that the Mexican dollar is practically standardized, thus eliminating the uncertain factor of a constantly fluctuating exchange with which it has been necessary to contend in the past, makes it a relatively easy matter to establish prices in Mexican currency to correspond with the Domestic prices. The next step I understand would

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

W.S. -4- 1/23/05.

be the establishment of agreements similar to those existing here, and this could be more easily and satisfactorily accomplished at the present time, than later on, when the business will be larger and more difficult to straighten out; in fact, all the present Dealers with whom I spoke seemed anxious that steps be taken to have such agreements made and enforced by the company. As per report of Mr. C.H.M. y Agramonte sent you from Mexico City, some changes would have to be made in the wording of the American agreement to conform to the Mexican laws, steps taken to protect Edison patents, etc.; but once these conditions are fulfilled, the agreement will be as binding as it is here. Owing to the commercial customs of the country it might be well to start with a slightly less exacting agreement than the Domestic one; but, undoubtedly, Dealers should be made to sign some sort of an agreement which will compel them to maintain an equal footing with regard to prices.

ADVERTISING:

Although our Dealers in Mexico City have lately started to advertise our goods more extensively, the advertising done by our competitors is greatly in excess of this. As you know, the only advertising we have done is on the Principal Theatre drop curtain, and this has undoubtedly been of benefit. Advertising in a few of the principal newspapers would show results, and if this could be started noon after our Mexican selections are all ready for the market, it would of course be advantageous. I have already written you as to the best advertising mediums, arrangements, etc.

NEW BUSINESS:

There is not the slightest doubt that Mexico offers an exceptionally good field for the sale of our goods, but it will require active steps not only to develop it, but to hold our own against competitors

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

W.S. -5- 1/23/05.

already aggressively at work there. The greater part of the business has been confined to the Mexico City Dealers, whose business is of course not limited to the local trade in that city, as they have clients throughout the whole country, but they have pushed it to such poor advantage and by such crude business methods that they have succeeded in doing a very limited business, considering the large possibilities the country offers. We have now at least one Dealer in most of the largest cities, and no doubt these will materially increase our Mexican business, although, as they are just starting out, with practically no knowledge of the line, they may not show immediate results. At the present time it is somewhat difficult to interest business houses, owing to there being very little confidence; the ~~business~~ Phonograph being, from a business standpoint, practically unknown. Therefore, before it can be expected to secure a large number of Dealers, it will be necessary to create a demand among the people, by advertising, judicious circularizing, etc.

As to the best means for developing the trade in Mexico, my trip through the country has fully confirmed my opinion as expressed in letter of Sept. 10th written you from Mexico City; namely, that to obtain the best results it will be necessary to be on the ground, as our competitors are. The two competitors mentioned have adopted the policy of appointing a General Agent, and this is the manner in which almost all foreign products are handled in Mexico. The Columbia people looked into the field very thoroughly, their Representative having made four trips through the country within two years, accompanied once by their Vice-President, and I was informed on good authority that if they had not given the General Agency to Mr. Espinosa, they would have opened an office there themselves. They fully appreciate the possibilities of this market, and are doing their best to introduce their goods.

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

W.S. -6- 1/23/05.

The establishment of an office and base of supplies in Mexico would, I believe, be the quickest and most satisfactory ^{manner} in which to adjust the conditions already referred to. The business could be placed on a sounder basis than it is at present for the reason that the agreement policy could be adopted and carried out effectively, which it would undoubtedly be more difficult to do from here. Advertising could be carried on to a great deal better advantage, especially from an economic standpoint, and the creation of a demand among the people by judicious circularizing and the prompt following up of inquiries would be greatly facilitated. It would enable the development of the retail trade, and consequent appointment of Dealers, to much better advantage than from here, as the distance, general lack of information amongst the public as to duties, exchange, freight, etc. etc., make it practically impossible to obtain much of a retail trade from here.

The outlay incident to establishing a base of supplies in Mexico would not be large, as it would be entirely unnecessary to carry a heavy stock of goods. All that would be required is a stock sufficient to promptly fill orders, which, at the present time, would be relatively small, and this stock could be carefully replenished as required, and increased as justified by the development of the business.

I brought with me from Mexico ample information relative to the local expenses in connection with an office there, freight rates throughout the country, and, in fact, as complete data as I believed would be of interest in this connection, on which I can report more in detail if you so desire. The same applies to the matters of Advertising and Price-Cutting, in regard to which I can give you precise detailed information.

While in the foregoing I have referred particularly to the Phonograph business, there is undoubtedly also a good field in Mexico for the other Edison laboratory products, which are scarcely known in that

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

W.S. -7- 1/25/05.

market. Projecting machines and films of European manufacture are sold extensively there, whereas ours are only imported to a limited extent, and this is due entirely to the fact that the former have direct representation in the country. While speaking of this class of apparatus I might mention that the fact that such concerns as T. H. McAllister quote our trade discounts to the retail trade, makes it very difficult for us to secure any of this business through our regular Jobbers and Dealers.

The fact that last year our Mexican business showed an increase of over one hundred percent over the previous year, in spite of the steady decline that had been shown the three years prior to last, demonstrates beyond a doubt what can be accomplished there by even a small amount of circularizing, advertising and canvassing, and if more energetic and thorough steps were taken to secure this trade, I am perfectly certain that satisfactory results would be obtained.

If, owing to the fear of making this report too lengthy, I have omitted any details which you require, I shall be glad to report more minutely on any of the points you may indicate. As already mentioned, I believe I have supplied myself with all necessary information, but should this not be the case, I can easily obtain same.

Yours respectfully,

Robt. J. ...

[FROM JOHN R. SCHERMERHORN]

Record-Manuf.
Compagnie Française du Phonographe Edison F.....

February 7th 1905.

W. E. Gilmore Esq.,
President, National Phonograph Co.,
ORANGE, N.J.

Dear Sir:

As I cabled you last week, the decision in the case of the Authors against the Talking Machine Companies was decided on Wednesday last. At the time White cabled, the text of the decree was not in our possession, and he was therefore unable to give particulars. The text of the decree was secured on Thursday, and a translation thereof was made by Brandon Brothers, copies of which were handed to Mr. White and myself, and likewise copies of which were mailed both to you and Mr. Marks. As I wrote you in a previous letter, it was necessary for Mr. Marks to come to Paris on Saturday last, and upon his arrival the decree was very thoroughly gone over by Mr. Marks with Brandon Brothers, and after his interview with them, with Mr. Mr. White, Mr. Kaltenecker and myself. In the meantime Mr. Kaltenecker had seen the representatives of the Authors and they gave verbal permission for us to continue the business until such time as they decided to the contrary. They stated at this inter

Compagnie Française du Phonographe Edison **Folio 2**

W. E. Gilmore Esq., Orange.

view that the minimum royalty would be 25 centimes (5 cents) per record. At the discussion held in this Office between the four of us, it was thought advisable to again get in touch with the authors to the end of making better terms if such a thing were possible. After this decision was arrived at, we thought it best not to cable you further until we learned something further. Mr. Kaltenecker and Mr. White immediately took the matter in hand (Mr. Marks in the meantime returning to London). Mr. White and Mr. Kaltenecker were able to see the Authors yesterday morning. At this interview they indicated a friendly feeling towards our French Company, but at the same time stated absolutely that the minimum royalty would be 5 cents per record, and as a matter of fact Clark's contract provides for the same royalty, the only advantage he gets being that other disk records are subject to a royalty of 6 cents, each. At first the authors were enclined to take a somewhat arbitrary stand. They stated that the French Company was owned by Mr. Edison and practically demanded that the Company should agree to pay royalties in all countries where records of selections controlled by them were vended. Mr. Kaltenecker and Mr. White, of course, put them right on this subject, stating that Mr. Edison is not a stock holder in the French Company and has no personal interest therein. When the authors were advised to this effect they were more tractable and then stated that, if we would immediately sign a contract binding us to pay them 5 cents royalty, they would take no action against us as to past business, although they will

Compagnie Française du Phonographe Edison folio 3

W. E. Gilmore Esq., Orange.

probably demand royalties on such records that have been sold by the French Company that are covered by the decree. Mr. White and Mr. Kallenecker, of course, put them off, advising that it was necessary to bring the matter before the Board of Directors, and also to give time to enable our attorneys to go over the contract.

After the above informations have been gathered, I cabled you as follows:

"DECREE CARRIES ROYALTY COPYRIGHTED VOCALS AND PROBABLY INSTRUMENTAL WHEN WORDS AND MUSIC COPYRIGHTED JOINTLY ALTHOUGH LATTER INDEFINITE. CLARK'S ATTORNEY SAYS NO OURS YES. AUTHORS DEMAND FIVE CENTS PER RECORD ON SELECTIONS THEY CONTROL. HAVE CABLED MARKS TO COME AND IF CAN ARRANGE SATISFACTORY CONTRACT WILL CLOSE ON ABOVE BASIS UNLESS YOU DISAPPROVE. GRAMOPHONE COLUMBIA PATHE FACTORIES AND OFFICES CLOSED. MANY MILLION FRANC DAMAGES DEMANDED FROM THEM. RUMORED PROBABLE FINISH PATHE. CIA CLARKS SAYS HIS CONTRACT INEFFECTIVE. WE ARE OPEN WITH AUTHORS APPROVAL SUBJECT PROMPT ACCEPTANCE TERMS. OUR DAMAGES PRACTICALLY NOTHING - SCHEMERPHORN".--

As my cable indicated, the decree states positively that royalties must be paid on all works of a literary nature, in other words songs with words. It also seems to indicate that we will be compelled to pay a royalty on all selections wherein the music and words were copyrighted at the same time whether or not the words are used on the record or again even though the selection be of instrumental nature only. Mr. Clark's lawyer has advised me that he does not believe this portion of the decree can be sustained, this being due to the fact that the law was enacted in 1866 which would seem to permit the reproduction of copyrighted music in music boxes and could of course be well taken that a phonograph is nothing but a music box when music only is reproduced as against this, however, both Mr. Marks and Brandon Bros and likewise the authors themselves maintain that we would be compelled to pay a royalty on instrumental

Compagnie Française du Phonographe Edison Edis 4 _____

W. E. Gilmore Esq., Orange.

selections when they are copyrighted in connection with the words as above indicated, as against this, of course, arises the question as to whether or not a judge can render a decree that apparently

This is a question, however, that of course it is not wise for us to take exception to at the moment. It will doubtless be adjudicated by some of the other companies. As my cable indicates all the other talking machine places were closed up, none of them were selling records, the only places open being some of the small shops and the slot parlors.

It seems that the decree permits the collection of damages on business done in the past, and Mr. Clark personally advised that without doubt the demand against his company would amount to many million of francs, and Vives, who represents the authors, yesterday told Mr. White and Mr. Kaltenecker that the claims both against Pathé and the Gramophone Company would be enormous. As a matter of fact we heard indirectly that the initial demand on Pathé was 150 million of francs. This, of course, has not been verified. On the other hand the Manager of Pathé's large store stated confidentially that he was very doubtful if they would again open. Of course you will understand all the above is more or less of a rumour, but without a doubt the authors will endeavor to secure very large damages, in fact as much as they can squeeze out of the different concerns. Clark has no contract whatsoever on the cylinder business, and as above stated his contract on disks is not exclusive, it simply gives him one cent per record better on the royalty end.

Compagnie Française du Phonographe Edison No 8

W. E. Gilmore Esq., Orange.

In response to our cable Mr. Marks arrived this morning and after placing the entire situation before him he agreed with the rest of us that it was very advisable we immediately make some kind of terms. Doubtless this may seem hasty to you but it seems to us wise to get in line quickly thereby enabling us to keep the business running which doubtless could be used advantageously in advertising and also at the same time preserve the good will of the authors who absolutely control the situation, that is they can license us to do business or not, just as they please. They stated verbally to Mr. White and Mr. Kaltenecker that we would have just as good terms as any other concern, and of course this feature will be embraced in the contract. The authors this morning submitted a formal contract which Mr. Brandon has translated, and Mr. Brandon, Mr. White, Mr. Kaltenecker and Mr. Marks are now having an interview with the authors, at least the appointment was made at 3 o'clock. I presume they are still in session. If the contract was entirely satisfactory to Mr. Marks, who of course, is looking over the legal end of it, it will be effected at once, which I assume will be entirely satisfactory, inasmuch as up to this writing we have not had a reply to my cable suggesting any other plan than that briefly outlined therein. Five cents of course seems a very large royalty, and as a matter of fact it is a large royalty. On the other hand I do not believe it will come out of the profits of our Company. It is our belief that we can make the public pay the additional 5 cents for such records as are covered by the copyright act, and if so, it will of course not affect us financially, except in that it might cause

Compagnie Française du Phonographe Edison Folio 6

W. E. Gilmore Esq., Orange.

less demand for our records due to the higher list price. On the other hand Pathé is listing his records to the public at Fr. 1,25 (25 cents) and is selling them to the trade as low as 55 centimes (11 cents). It of course goes without saying that if he does continue business, it will be impossible for him to sell at the last mentioned price. He will have to add to his present figures a portion if not all of the royalty charge and naturally the retailer will want more profit which would seem to indicate that they will be compelled to increase their list price.

The Columbia people are also retailing their records at Fr. 1,25 (25 cents) and are selling to the trade at 75 centimes (15 cents). It is of course possible that they might continue to sell to the trade at 15 cents, but by so doing it would take 5 cents per record from their profit, and I do not believe they can afford to do business on that basis. Of course the Gramophone Companies are in a better position. They get more money for their records and the 5 cents would not affect them in the same manner as it does the Cylinder people.

Wm
CABLE.

Feb. 7, 1905.

Ediphon,

Paris.

Record - Many

Schermerhorn. Cannot understand whether Association Authors, who fought case, are seeking royalty collectively or for individual authors. Can they make binding contract? Does five cents royalty cover existing copyrights and all future productions? Royalty demanded five cents absolutely prohibitive. Royalty on cylinder records should be half amount ~~of~~ disc records account breakage and lower selling price. Marks and Brandon should obtain full data responsibility and demands Authors Association, submitting contracts here before final closing. Contract only binding providing all other mechanical sound producing apparatus included similar arrangement. Any royalty paid by us must not exceed royalty paid by others. Yearly contract preferable, with right to renew or cancel should circumstances warrant. Cable New York fully.

GILMORE.

Done
3²²

[ATTACHMENT]

We are in dark here
Was it an association of
Authors what fought Case
does association or individual
Authors seek royalty -
Can a binding contract be
made with Association -
is royalty for existing Copyrights
or this and all future
productions, ~~royalty~~ royalty
too high on Cylinder should

be half that of disk
account breakage and lower
selling price -
are all to be treated alike
Cable more data.

Adress Télégraphique :
EDIPON-PARIS

TRADE
Thomas A Edison.
MARR

Telephone : 277-80
Côte "Estab"

Record - Mary

Compagnie Française du Phonographe Edison

Société anonyme au capital de 100.000 francs

81, RUE DU QUATRE-SEPTEMBRE, 81

PHONOGRAPHES

RECORDS NOUVEAUX

DISQUES NOUVEAUX

MILIKINS AMERICAINS

FOURTECH. AUTOMATIQUE

"Edison-Edison"

USINES

ORANES S. U. A.

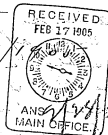
PARIS

BERLIN

VIENNE

BRUXELLES

Paris, le 27/1/1905



My Dear Ed -

Have been intending to write
an autograph letter ever since
my arrival, but your statement
that one could find so much
to do, that no time was left
for letters has been fully
verified - so my letter from
London indicated we had a very
smooth trip & experienced not
sea-sickness - Generally speaking we
have both been well since
leaving America, although the
last 3 days in London seemed
to affect my throat & I have been

very uncomfortable while in Paris
although ~~you~~ there was a
decided improvement & to-day I
was in ~~the~~ ~~same~~ ~~shape~~ ~~as~~ ~~before~~

The books of London appear
to be in good shape & I think
we shall well find things in
good shape with the possible
exception of clerical manuscripts
possibly a few ~~extra~~ errors in
judgment. There is no question but
that the business was hindered
from a lot of new selections & less
delay in deliveries - I have not
been to Brussels, but Reilly
is here & from preliminary
investigation I conclude the principle
trouble is a lack of proper
working understanding between
the Selling end & the Mfg end -

It is quite apparent that
each has been working more or
less independently of the other -
Masters were sent to Reilly
& ~~not~~ ~~orders~~ ~~were~~ ~~made~~ ~~without~~
definite instructions from selling
end with the exception of a
few particularly wanted selections

On the other hand Reibel has
 not indicated the way in which
 how many new selections could
 be turned out monthly or weekly
 to the agency and did not make
 it their business get this information
 again. Many of the French needs
 will make the British - it was
 left to Reibel to decide what
 percentage of the material should
 be made for France again.
 The ^{last} ~~last~~ ^{most} ~~most~~ ^{recent} ~~recent~~ ^{supplement}
 was handled in Brussels when as
 a matter of fact Reibel could not
 take care of the European selection.
 The project for the latter rests
 with Reibel but it would be a fact
 that the situation did not con-
 flict coincided by Reibel
 in a personal interview - he has
 now arranged for Reibel to make
 a statement of just what he can
 do give White a copy of that
 White gives the list of selections
 and Reibel is to come out monthly
 + on regular dates with other works

does not do definitely the output
 until my arrival in Brussels, when
 I will write you the particulars
 it is more than probable that
 some details of the American situation
 may have to be made at Orange
 I will also read & eventually reduce the
 foreign list's Perseus. I think
 it is very necessary to give the foreign
 sections preference & particularly
 inside such time as we have in
 decided increase in the French
 list which is still small.

I went over the G.E. in London
 for things look all right except
 some follow-up.

Spence has been allowed a
 total of 3000 - (1400 about) for hotel
 meals for the year 1904. The
 general ~~income~~ weekly allowance
 about £15 for each room & meals -
 Ben must that in addition
 to the above he has also put in a
 regular expense item, such as
 maintaining traveling which approximates
 a total of about 700 (£10) 1/2 of

course do not know what arrangements
 were made & there for him & others &

continued, except to show the paper
 to which I refer and it would be better
 to refer to it in your book up to date
 of your July 1st. I have not returned
 white during 1904 but in cash
 1775 amount which he has turned in
 voucher (to Jay) for 9242 - leaving
 approximately 8000 unaccounted for -
 do not get the details of his vouchers
 thought best to leave that for Becker -
 obvious reasons - I have not talked
 to W. about this but will do so on
 my return to London. It occurs to me
 that possibly he may get part of
 his salary in the summer - Please
 let me know if such is the fact &
 also what salary he is getting -
 undated 1906. I believe in the
 subject will write me to more intelligent
 views the situation. The present
 financial situation is not
 encouraging from a financial point of view.
 as your report shows the business
 has been very meagre, in the
 hand it is only during the last two

Months that they have been provided
with new selections & with a larger
catalogue more extensive & well selected

But even so important as being a
trustworthy man, but not so aggressive
as I should like to. Doubtless a character
of the country. Believe he
would stand a lot of pushing. Don't
seem to worry about the situation

Completely states we will do
a large business, but don't seem to
think it necessary to do the hustle
act - We are not represented in
any of the prominent retail stores
as a consequence our products are
not well known to the discriminating
public - However do not propose
to purchase of any of the

The division in favor of the
Auction may rebound to our benefit
& particularly if Pathe should be
forced out of business, as is
assuredly a possibility of that there
as our the market is a money
to get it, records must be sold
and had been passed on in his hand

7
will dictate a letter regarding
my cable of yesterday + if negotiations
which are now pending, are concluded
will give particulars -

I have not enjoyed Paris as
my time has been spent to no
advantage, we have all been upset
over the decision O.K. has been out
much of the time on this subject.

Agnes keeps well as first
stated + I seem to be getting
acclimated - We both send
love to you all

J. S. Chamberlain

Cable Address: "ZYMOTIC, NEW YORK."
ALL A.B.C. COMMERCIAL, LIEBOWITZ, HUNTING AND PRIVATE CODES USED.

TELEPHONE,
4410 FRANKLIN.

FOREIGN DEPARTMENT
OF THE

**NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
EATES MANUFACTURING CO.**

31 UNION SQUARE, COR. BROADWAY & 16TH STREET.

~~53 CHAMBERS STREET~~

NEW YORK, N.Y.

Factories:
BRANDENBURG, U.S.A.



EDISON PHONOGRAPHS
AND RECORDS.
EDISON PROJECTING KINETOSCOPES
AND CINEMA FILMS.
EDISON PRIMA LECTURE BATTERIES
AND FAN MOTOR OUTFITS.
EATES AND EDISON NUMBERING MACHINES.

EUROPEAN OFFICE,
30, AVENUE DE L'OPERA,
PARIS, FRANCE.
25 CLERKENWELL ROAD,
LONDON, E. C.

New York, N.Y. Ch.

2/9/05

Dear Mr. Edison:

*I suppose we will have to depend
on their judgment = I understand that
minimum is 5 cents, but on a dollar record,
10c 5 dollar record 50 cents, Edison*

I enclose you cable received at the New York Office this morning from Schermerhorn, further referring to the verdict rendered in favor of the Society of Authors, in France.

I judge from this that both Marks and Brandon have gone into the matter most carefully, and therefore approve the making of the contract.

I, of course, understood always that this contract would be made with our French company, and not with the National Co.

What I cannot understand in this cable is: "No lower granted any time to others; royalty basis 10% with 5 cents minimum."

The only construction I can put on this is, as it is stated, that they will not accept less than 5 cents per Record minimum, from anybody. On the other hand, there is a vast difference between 10% on our net selling price, and a 5 cents minimum price.

By "other companies" I judge that Schermerhorn means the Gramophone Co., Columbia Co., Pathé, and all others. The four people that he refers to, are doubtless Marks, Brandon, White and himself.

In view of what they have done, I do not suppose that we

Mr. Edison, 2

NATIONAL PHOTOGRAPH COMPANY
FOREIGN DEPARTMENT.

can do anything further, but before I cable anything, I would like to have your suggestions, so the boy is waiting for an answer, which answer will be telephoned to me here at the New York office.

Very truly yours,

W. E. Gilman
President

WRG/MP

Answer here

Telephone's Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A. Edison
MARK

Frank Trampf
Cable Codes Used: A.L., A.B.C., COMMERCIAL,
LESSEN'S AND HUNTING'S.

**Thomas A.
EDISON'S**

Photographs,
Gold Moulded
Records,
Projecting
Kinetoscopes,
Original Films,
Duckey Fan
Motors,
Edison-Primary
Batteries,
Dates and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH GO. Ltd.
EDISON MANUFACTURING GO. Ltd.**

25, Clerkenwell Road,

London, E.C.

FACTORIES:

Orange, N.J.,
U.S.A.
+
Berlin.
+
Paris.
+
Brussels.

IN REPLYING ADDRESS THE COMPANY - NOT
THE INDIVIDUAL AND MENTION THESE INITIALS

W. E. Gilmore, Esq.,
Orange, New Jersey.

Dear Sir,

I enclose you herewith several clippings-taken from London papers having reference to the decision recently handed down in Paris, all of which will perhaps be interesting to you. You will note by these clippings that Pathé as well as the various other talking machine companies are still closed. I have learned to-day from several sources that Pathé's past damages have been assessed at twenty million francs, or about four million dollars. Of course I cannot vouch for the truth of this, but if it is so and if they force such assessment on Pathé it will most surely close his business so far as France is concerned, as he of course could not produce such amount of money.

I understand also that the Authors in France will not close arrangements with the Columbia Company unless they consent to pay the author's royalty in all other countries where they do business. This, of course, will be a great hardship on the Columbia, and result



N. P. Co. Ltd.

doubtless in their being obliged to close up in France. My understanding is also that they will endeavour to obtain the same sort of an arrangement from the Gramophones Company although this seems to be a little indefinite at present; at any rate the fact remains that the Gramophone Company in France are still closed, and I think our friend Clark is doing considerable worrying.

I think the fact that we were the only Company in France who remained open for business after this decision was handed down, will prove to be a good and lasting advertisement for us. We have sent out circulars to all our dealers in France advising them that our business has not been suspended, and that we have made such arrangements with the authors as will permit of our going on without interruption. I am greatly in hopes of getting a large amount of business at once. This is all that I can write you in connection with this affair at the present moment. Of course it goes without saying that I shall be kept constantly advised of any and all matters which come up in France in connection with the case, and that such information will be immediately passed on to you.

Very truly yours,


Managing Director.

J.H.W./L.D.

[ENCLOSURE]

H. E. D.
PARIS DAY BY DAY.
TALKING MACHINES AND
COPYRIGHT.

Efficiency
BY SPECIAL WIRE.

From Our Own Correspondent.

PARIS, Wednesday Night.

Quite a crisis in the phonograph trade has been created by the judgment of a Parisian Court, which, in the interests of the Society of Music Publishers, has placed the talking machine in the same category as the orchestra, with the result that all the instruments contrived for the reproduction of popular songs and airs, and for which copyright is unpaid, are to be mute in future. Oddly enough, as is explained, this veto has not been initiated by the music publishers, as the lawsuit which led up to it is said to have been started by a person who is in no way connected with their society. It appears, however, that for some time past there have been complaints among the publishers of music of the injury done to their commerce by certain manufacturers of phonographs, so that the case which has lately been decided may fairly be regarded as a test one. The argument, which was submitted by no less an authority than M. Foinmont, Senator and barrister, was that the composer's rights were infringed by this encroachment on their reserves, and as the Court saw the matter in the same light the veto has gone forth. The immediate consequence of this judgment has been dimotives to the talking-machine business. Our contemporary the *Zefiro*, which has been energetically investigating the affair, reports this evening that the music publishers have already applied to the authorities for the compulsory closing of nearly fifty establishments, situated in different parts of this city, with the result that quite three thousand employes find their occupation gone. One big firm paid its workpeople up to yesterday, and it is estimated that fully twelve thousand hours connected with the phonograph industry will be more or less afforded. It is also pointed out, by the way, that it is only the French trade which suffers, as the foreign firms represented in this country only offer the simple machine for sale, and are, moreover, practically exempt from retaliation, as any damages which may be fixed to their detriment can only be obtained abroad, and this by means of a special and troublesome procedure. Our contemporary argues that it is the existing legislation which is at fault in comparing a talking machine cylinder to a piece of music, when all the charm of the voice and the rapture of a band are conspicuously lacking in it. At any rate, a very queer situation would seem to have been brought about by this particular judgment, which is dealing a heavy blow at the French phonograph trade.

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W. E. SILMORE,
PRESIDENT & GENERAL MANAGER.

ADDRESS YOUR REPLY TO THIS COMMUNICATION TO ORANGE, N. J.

J. F. RANDOLPH,
SECRETARY & TREASURER.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

33 CHAMBERS STREET, NEW YORK.

304 WABASH AVENUE, CHICAGO.

31 UNION SQUARE, NEW YORK.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

TRADE
Thomas A. Edison
MARK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"



Feb. 13, 1905.

Thomas A. Edison, Esq.,

Llewellyn Park, N. Y.

Dear Mr. Edison:

Here is a letter from White, from Paris, dated Feb. 3rd, and copy of the decision in favor of the Authors Association. I think you had better read this over carefully, and if you desire to see me to-day, if you will telephone me I will gladly come up and see you. I think we had better wait before making any reply to this until we hear from Schermerhorn, Marks and Brandon, who will doubtless write us most fully on the entire situation.

Yours very truly,

W. E. Silmore

Enc-

*I read decision that all things with words
pay royalty - that if the words are left
out & only the music is recorded
there is no infringement*

Edison

[ENCLOSURE]

Record - Manuf.

Compagnie Française du Phonographe Edison F.....

February 3rd 1905.

W. E. Gilmore Esq.,
President, National Phonograph Co.,
ORANGE, N.J. U.S.A.

Dear Sir:

I beg to confirm herewith my cable of the 1st inst., reading
as follows:

"DECISION JUST RENDERED AGAINST PHONOGRAPH COMPANIES IN FAVOR
OF AUTHORS MAKING BEST ARRANGEMENTS POSSIBLE CABLEING LATER
COMPLETE INFORMATION - WHITE"---

As indicated in same, the decision in the case of the French
Authors against the Phonograph Companies has been decided in favor of
the Authors, and, of course, will make a considerable difference to our
business here. I enclose you herewith a correct translation of the
decision in question, which, in a way, seems to be very broad, and fully
in favor of the authors. On the other hand, the legal people here seem
to be somewhat confused as to just how far reaching this decision is,
i.e. there is no question but that the Authors are fully protected so
far as the reproduction of songs are concerned, but there seems to be
a question as to whether or not we are prohibited from making band
records of the French Operatic Airs, where the words are not sung in the
phonograph.

[ENCLOSURE]

Compagnie Française du Phonographe Edison File 2

W. E. Gilmore Esq., Orange.-

In this respect the decision seems to be somewhat contradictory.- You will note on Page 3, where I have marked "A", that according to the law of May 16th 1866, the manufacture and sale of instruments serving to mechanically reproduce music, is held to be no infringement, and I take it by this that music boxes, phonographs, etc. do not infringe the Authors' Copy Rights, unless they reproduce words.- Again on Page 4 paragraph, which I have marked "B", the Judge indicates that Phonographic Reproductions, which are purely musical, and not accompanied by words, come within the category of the law of May 16th 1866.- Again on Page 5, paragraph which I have marked "C", it goes on to say that literary works, without songs or of literary works, accompanied by music belonging to the appellants constitute an infringement.- Again on same page, paragraph which I have marked "D", you will note that it holds, on the contrary, that there is no infringement in the phonographic edition of music without words, and I take it by this that it means that where a musical composer creates for instance a march, and no accompanying words were published when the march was copy-righted, that Phonograph Companies would have a perfect right to reproduce said march. My interpretation of this decision is as follows:

All copy-righted songs, used by the Phonograph Companies, constitute an infringement, and all selections of Operas such as airs from Lohengrin, selections from Rigoletto, Carmen, Faust, Aida, Mignon, Tannhauser, etc. etc. do constitute an infringement on the Authors' rights, in that these operas when first produced and copy-righted were accompanied by words and therefore constitute a literary production.

[ENCLOSURE]

Compagnie Française du Phonographe Edison Folio 2

W. E. Gilmore Esq., Orange.

I beg to inform you that Mr. Kaltenecker and myself have already seen the Secretary of the Society of Authors, and he has informed us that we may go on doing business for the present, and that no undue attacks will be made on us, and that we will not be molested as far as past transactions are concerned as we are a new Company here and have not yet done a large business. He said that the Society will let us know in the course of a fortnight just what they will expect us to do. He simply asked us to keep a strict account of what we sell from now on.

In the meantime all the other Phonograph Companies in Paris are closed, including the Gramophone, Pathé Frères, Columbia and others of less importance. Mr. Clark is in London at present conferring with the Directors of the Gramophone Company, and does not know as yet what action they intend to take, and whether or not they will attempt an appeal. I am informed that it would take at least 2 years to get the case retried in appeal, and in the meantime the authors have the right to make seizures when and as they like. Mr. Marks will be here to-morrow and as Mr. Schermerhorn is now in Paris, we propose having a conference discussing the thing fully, and in the matter of making a final arrangement with the Authors, you may be sure that we will move with the utmost caution.

We are informed by the Secretary of the Society that the royalty demanded will be 25 centimes per cylinder or disk, regardless of the price at which the records are sold to the public, and there will be no discrimination whatever against any Company, each being required to pay the same royalty. Therefore I do not see but that we are in a better

[ENCLOSURE]

Compagnie Française du Phonographe Edison Folio 4 _____

W. E. Gilmore Esq., Orange.

position than either Pathé or Columbia, as both these concerns are selling records to the trade as low as 55 centimes, whereas our best price to the dealer is Fr. 1,30,- in other words 26 cents against 11 cents in American money of Pathé and Columbia.- Pathé's list price to the public is Fr.1,10 for small cylinders, and the Columbia's list price to the public is Fr.1,25. Our list price is Fr.1,85 for small records.

I am therefore sure that both Pathé and Columbia will have to raise their list price as well as prices to the trade, as they cannot afford to sell records at 11 or even 12 cents to the dealer and pay a royalty to the Authors of 5 cents per record. You will therefore see that in all probability this decision will tend to bring the Columbia and Pathé prices closer to our own, at least that is they way I figure it. With the advantage we have in turning out better records than either Pathé or Columbia, I think we should get a good share of the business. We probably can afford to pay this royalty without raising our list price, bit of course this is a matter to be figured on later.

We, of course, will keep you fully posted as to the above as things will shape themselves, and hope to be able to write you more fully by next mail.

Mr. Schermerhorn will doubtless be writing you on the same subject.

Yours very sincerely

1 enclosure

JHW/JC.

17 Feb. 1905 *Music Review*

Mr. James White, Manager.

I. C. H. D. O. H.

I beg to enclose you herewith a copy of a letter which I have to-day written to Mr. Egges, having references to the future management and conduct of the Recording Department. Of course, the details of handling the expenses will be left entirely to you; as a recommendation, however, I would suggest that the selling offices be provided with sufficient capital to take care of these vouchers as they are presented. After they are paid, the amount so expended can be billed back to the London office. Both copies of the vouchers should be attached to such bills; you in turn can forward the duplicate copy to Orange with your bill covering the monies expended for recording. If later on it is determined that the European Selling Department should bear the expense of the master making, then of course you will receive further instructions to that effect, and as to the manner in which these vouchers are to be handled.

So far as a recording in Belgium is concerned, I would suggest that you make the necessary arrangements with Mr. Riehl to finance the work, and also utilize his services in the same general manner as you would the managers of the various selling departments in other cities.

Without a doubt it will be necessary for you to use the services of Bomberf to criticize the records made in Brussels. This is particularly true with ~~the~~ records of Flemish and Wallonian selections.

10 Feb. 05 2

Mr. James White, Manager,

L O N D O N.

It is of the greatest importance that you arrange at the earliest possible moment to systematise this branch of the business, in order to get the best possible results, both from a commercial standpoint, and also to ^{enable you} have careful watch of the expansion.

Assistant General Manager.

3

[ATTACHMENT]

Music Dept. 1938

Mr. W. White,

INTERNAL SECURITY DEPARTMENT.

On and after this date your Mr. White, Manager of the European Sales Department will have the general management of the Recording Department. You should take your instructions from him ~~directly~~ or whoever he may delegate to act on his behalf. In a general way you should take such instructions as Mr. White will indicate. It is all probability however, the various selections will be designated by the managers of the selling departments in the various countries in which we are represented. You will look more particularly after the mechanical reproduction of masters and will take particular care that they are phonographically correct. For the present the criticisms of the selections from the musical standpoint and also from the standpoint of pronunciation should be passed upon by such people as Mr. White will delegate, such people, of course, to be familiar with the various languages in which the records shall be made. You, of course, have power to offer such criticism as occur to you, and Mr. White's delegates should give your criticisms due consideration.

The expense vouchers should be rendered either direct to Mr. White or to the managers of the various selling departments, as he may direct. Mr. White will of course arrange that the various recording departments are provided with money, either direct from London or through the various selling offices, probably the latter course will be adopted. In making out your expense vouchers please have them made out in duplicate, rendering both copies to Mr. White or such persons as he may delegate.

Record - Mainz
18 Feb. 05

Mr. Richl & Mr. White

In order hereafter to systematise the listing of new selections the following procedure seems advisable:-

Supplementary lists should be issued monthly, and should go out on a regular date. Working moulds should be completed regularly on a given date each month. In order to do this it is necessary that the selling department indicate the selections, and the masters thereof should be in the possession of Mr. Richl early enough to enable him to have completed the mother and working moulds at the time appointed. All masters therefore, which are delivered to Mr. Richl should be correct photographically and mechanically, in other words he should not be forced to discard masters except for faults which would prohibit making moulds thereof. Generally speaking masters should be in the possession of Mr. Richl at least two weeks before it is expected to have moulds thereof. Also masters must be delivered to him regularly, inasmuch as his output is limited, and it is necessary that he work constantly and uninterruptedly in order to turn out the number of selections that will be required for the regular monthly lists. In basing the number of selections which are to be listed monthly, the demands of the Paris Office should be taken into consideration, inasmuch as it is quite probable it will be necessary to utilize a portion of the Brussels output for the French catalogue. At present it would appear that Mr. Richl will be able to supply you with 40 new selections for the English market per month, and in addition thereto from 20 to 25

18 Feb. 05 2.

Mr. Rich & Mr. White.

selections for the French catalogue. He should also be able to give you from 5 to 7 selections ^{weekly} from the Lavallois Plant, thereby giving you a total of 40 English selections and about 40 French selections per month. Mr. White should arrange with Mr. Rich in on which date he wishes the new selections to appear, and as above stated, should arrange to provide Mr. Rich with patterns in ample time to complete the moulds.

The same procedure should be adopted at all Rolling, Manufacturing and Recording Departments, and these instructions should ~~be~~ hold good as far as business conditions will permit their being followed out.

Assistant General Manager.

18 Feb. 05

Mr. James White, Manager,
L O H D O H.

Without a doubt many of the ^{American} English instrumental selection can be used both in Paris and Berlin. At the moment it is quite possible Paris cannot take care of the making of moulds of these selections, on the other hand, Berlin can. Hence it occurs to me that it would be advisable to send a complement of masters of American instrumental selections direct to Berlin. Brussels is now receiving such complement. By so doing it would enable Mr. Graf to test these selections, and in the event of any of them being suitable for the German market, masters could be made of these moulds without delay. This would also apply possibly to the English made instrumental selections and likewise French made instrumental selections. Thinking this plan advisable, I have to-day written to America to make a shipment of five ^{Masters of use} instrumental selection ~~each~~, which appear on our regular lists. It, of course, rests with the selling department ^{are} as to whether or not these selections are to be listed in Germany or France, and of course moulds should not be made unless the Selling Departments feel confident they will be in demand. So far as the English and French selections are concerned for the present sample records can be sent to Mr. Graf, and after testing these samples he can order ~~such~~ moulded masters of such selections as he wishes. Mr. White should arrange to advise Mr. Graf of these instructions. I would suggest that a copy of this letter be sent him, with such other instructions as he may wish to embody.

Assistant General Manager.

18 Feb. 05

Mr. James White, Manager,

L O N D O N.

In order to facilitate you in making a choice of such selections as you wish to list monthly, I think it advisable that samples of all records on the American monthly supplement be sent you direct from Orange; such samples will without doubt reach you practically as soon as the moulded masters reach Brussels. The sample records sent from America will therefore enable you to make a more prompt selection of such numbers as you wish to appear monthly on the English supplement, and in turn will enable you to promptly advise Mr. Richl as to the selections which should appear on your monthly supplement.

Assistant General Manager.

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison
MARK

Cable Codes Used: A.I.; A.R.C., COMMERCIAL,
LIEBEN'S AND HUNTING'S.

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EDISON'S**

Phonographs.
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Orange, N.J.
U.S.A.
+
Berlin.
+
Paris.
+
Brussels.

IN REPLYING ADDRESS THE COMPANY - NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

RECEIVED
24th February, 1905.

W. E. Gilmore, Esq.,
Orange, New Jersey, U.S.A.

Dear Sir,

I enclose herewith copy of a letter received from Kaltsnecker dated February 22nd which will doubtless interest you. You will probably have learned from Mr. Schermerhorn before now we have been able to secure a reduction in the royalty which we pay and same will now be 20 centimes instead of 25.

I learn from several sources as well as by Kaltsnecker's letter that the Gramophone Company have not yet succeeded in concluding an arrangement with the authors, and that their business in France is still suspended.

Doubtless you will also be interested in reading that portion of Kaltsnecker's letter which refers to the boulevard shop which Vives desires to let. I have written him for further particulars as to what the £2000 cash payment covers and so forth, whether it is stock and fixtures or goodwill or what. I will write you further on this point. I remember the shop very well which is only three or

N. P. Co. Ltd.

four doors from Clarke's largest retail depot situated on the Boulevard Italienne opposite the Credit Lyonnais. You will also doubtless be able to recall the location. I have, of course, told Kaltenscker to do nothing in the matter until we have all considered it thoroughly. On my next trip to Paris I will go into the question fully and will talk to J. R. S. about it on his return from Berlin.

In conclusion I will say that nearly everyone seems to be somewhat at sea as to just what final arrangements will be made with these French authors, and the situation in my estimation will not be entirely clear for at least a month from date. I understand from reliable sources that these authors are now prepared to make a move in Great Britain, America, and in fact all other countries where music is copyrighted with a view to prosecuting the same sort of suit which they have just won in France. I will of course keep you fully advised on anything I hear in connection with this.

Very truly yours,

Joseph White
Managing Director.

J.H.W./L.D.

[ENCLOSURE]

N. P. Co. Ltd.

31, Rue du Quatre-Septembre,

P A R I S.

C O P Y.

February 22nd, 1905.

Jas. H. White, Esq.,
President, Cie. Fae. du Phonographe Edison,
25, Clerkenwell Road, E.C.

Dear Sir,

I herewith confirm my letter of yesterday with regard to the signing of the new contract. This new agreement was to be prepared and ready for signature to-day, but in view of the fact that the Editors are moving into new offices, they were unable to get the document ready for to-day, and I shall probably be able to sign it to-morrow. I saw Mr. Vives personally, and he assured me that there was absolutely nothing to fear in regard to what he told me concerning the 20 centimes royalty, and that we could absolutely depend upon his promise. Nevertheless, of course, we must have the thing in writing.

I had the chance of finding Mr. Vives quite alone in his office, and we talked about various points concerning the business. He told me that the Gramophones had not yet signed the contract, and from what I understood him to say it would appear that the chief reason is the question of back damages. Vives says that Clark was running backward and forward to London, but that there will be only one thing for them to do, that is to submit, unless they prefer to close up.

The Editors have just sent out a circular concerning the question of reproduction of purely musical records. They claim a royalty on absolutely everything they own. The circular says that they will be very strict in upholding their rights.

One of Pathé's very intimate friends, who seems to know almost everything that is going on in the firm told one of my friends the whole history of the affair, and assured my friend that Mr. Pathé himself said that he had to pay 25 centimes royalty to the editors. Moreover, this statement was made in an article of a well-known financial paper, an article which was evidently inspired by Messrs. Pathé Freres. I tried to get some information through several members of the Society of Authors but could not get any satisfaction, and I quite understand now why. The reason is that Mr. Vives has a separate contract with each editor belonging to the Syndicate, and by which he guarantees to pay to the editors a royalty of 15 centimes on every cylinder. Therefore, whatever arrangement may

[ENCLOSURE]

N. P. Co. Ltd.

have been made between Vives and Pathé is unknown to the Authors.

While I was in Mr. Vives' office, he was called to the telephone and I heard him saying: "Yes, but you must hurry up; they are both to be let". From this conversation I inferred that Vives was speaking about his two Boulevard shops, opposita to the Credit Lyonnais, and as I looked at him, he said: "Haven't I told you about my intention to let these two Boulevard shops?" I asked him for the price of the one that is next to the Gramophone, namely, the shop nearest to the Opera. You will remember that it is a very nice place, and besides the shop there are two rooms in the back and the basement, all fitted up with Edison motors. He has had this place fitted up only very recently, and says that he paid somewhat like Frs.40,000 for fixing it up. He demands £2000.0.0. in cash. The rent is Frs.12,000 per annum, and the lease is still to run for six years. This, of course, would be an excellent occasion for us if you are ready to spend the money. Shops on the Boulevards in a good situation are an extremely rare occurrence. I know that several talking machine firms have made offers for the one or the other of the two shops. Stransky Bros. (L'Idéal) have made an offer, and they are very keen on it. I know that Oulmann has also made another offer for the same shop. Of course if we took a shop on the Boulevards we could easily sub-let our present place in the Rue du Quatre Septembre, and have the whole of our office organization and the warehouse in the same premises. This could be almost anywhere in Paris, or what would still be better in Levallois, close to the factory.

I have told you that Paris is a good deal harder to conquer than the provinces, and I expressed that feeling the other day to Clark who told me that I will no doubt remember that the Gramophone experienced exactly the same thing when they started, and that just as soon as they got a strong foothold in Paris the business went up to an enormous figure. The way they conquered Paris (and they were forced to do so) was by taking the Boulevard shop which they still occupy opposita to the Credit Lyonnais. I do not mean to say that we want a shop to-day or to-morrow, but we ought to have one for the coming autumn season, and I have no doubt that it would be a most excellent investment. There is a unique occasion, I thought it interesting to report it to you, but of course I must leave it also to you to decide in this matter, as I do not know whether you are ready to make any pecuniary sacrifice for the present.

From our daily reports you will have seen that our sales are increasing, and they will continue to do so, especially if we get a better catalogue, that is to say, a larger number of selections. We have often had demands to send 500 cylinder of different selections to our customers, but we are at present unable to do so considering that we have only about 250 more or less saleable French selections, and in this number we include the records made last summer in Brussels, for which we have hardly any sale in France.

I am, Dear Sir,

Yours very truly,

(Signed) J. L. KALTENBECKER.

[ENCLOSURE]

[ON BACK OF PRECEDING PAGE]

100-100-100

The USG must have ~~in~~ ~~the~~ ~~USG's~~
Contract Clause stating ~~that~~
royalty to us shall be no less
as to anyone ~~as~~ otherwise we
would not be justified in
expanding more capital to be
perpetuated by action of USG
in future as slight ~~advantage~~
to competitors might wipe out
profits ~~and~~ also the Contract
to ~~be~~ ~~in~~ ~~the~~ ~~USG's~~ ~~as~~ ~~an~~ ~~integral~~
high price ~~and~~ ~~the~~ ~~USG's~~ ~~for~~ ~~the~~
makes investment ~~and~~ ~~the~~ ~~USG's~~ ~~unattractive~~

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A. Edison
MARK

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LIERNE'S AND HUNTER'S.

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Phonographs,
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EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.

25, Clerkenwell Road,

London, E.C.

1st March, 1905.

FACTORIES:
Orange, N.J.,
U.S.A.
+ Berlin.
+ Paris.
+ Brussels.

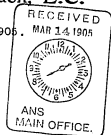
IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

JMS
W. E. Gilmore, Esq.,
Orange, New Jersey.

Dear Sir,

When I reached Berlin I was very pleased to learn that Mr. Graf had gotten copies of the patents covering Montan wax (which we call ebonite), and which patents apparently give a pretty clear idea of the process by which the material is produced and the source from which it is derived. Mr. Graf advises me that he sent one copy of this translation direct to you. I enclose another copy herewith and would suggest that you hand either your copy or this one to Mr. Aylworth. After reading this over Mr. Aylworth may arrive at a satisfactory conclusion as to the exact nature of the material, and also figure out a plan whereby it or a similar product can be made in America. It occurs to me that possibly some of the bi-products of petroleum may have like qualities and a supply therefrom could be used. If so there is no question but that we could buy it very cheaply, in fact for even less than half a cent a lb.

In the event of that not being possible we can make arrangements



N. P. Co. Ltd.

to purchase the material in Hamburg and make a saving possibly of one cent a lb. I have not taken any steps, however, to make such an arrangement in view of the fact that I am not quite sure as to just what our arrangements are with the American importers - Messrs. Strohmyre & Arpe, and of course did not wish to do anything that would compromise our position with them until we have fulfilled the terms of our present contract. I have talked it over with Mr. Riehl, however, and in the event of our wishing to make a change I believe he could handle the situation; if not, I am very sure Mr. Graf could.

Very truly yours,


Assistant General Manager.

J.R.S./L.D.

[ATTACHMENT]

Edison-Gesellschaft, m. b. H.
Berlin N.

*Suggest you buy the way direct from the info & not through dealers in veg - our Berlin factory
Process of Manufacturing "Montan-wax" from Bituminous Brown-coal
could get in low price, & this unknown to
10081.
seller stay to us under a different name*

The generally known process of distillation of brown-coal produces the brown-coal tar, which serves in turn for the production of paraffin and mineral oils.

Brown-coal tar is produced in distilling (Schweel) retorts, in which the coal is heated and thereby undergoes a process of distillation, in consequence of which the distillable products - brown-coal tar - escape, and are condensed in condensing pipes. The tar consists chiefly of liquid and solid carbohydrates or of paraffin and mineral oil, and is of yellowish brown or black colour, melts at about 35°C. and has a peculiar smell, caused by certain aromatic, acid and basic substances it contains. It amounts to about 7% to 10% of the moist coal, hauled out from the mines with 50% water.

The working up of the tar is done through repeated distilling in distilling-stills, whereby it is decomposed in its mineral components, which are then purified by sulphuric acid and sodium hydrate. Out of the highest boiling parts the paraffin crystallizes, which is then cleaned and improved through repeated pressing etc.

The paraffin amounts to about 15% of the brown-coal-tar.

The fractions of mineral oil, as well as the press oils obtained from the paraffin, are separated according to their specific gravity and colour; the lightest serves as benzin, and the heaviest as train-oil. The entire mineral oil amounts to about 70% of the brown-coal-tar. Phenol and pyridinlike sub-

[ATTACHMENT]

Edison-Gesellschaft, m. b. H.
Berlin N.

-2-

stances which are removed by sodium hydrate and sulphuric acid and reobtained by regeneration, amount to about 5% of the tar, the remaining 10% consist of gases and retort-coal.

By this process the paraffin is the most valuable substance of the brown-coal-tar. It is however the smaller part, and besides the supply of paraffin is for the present time large and low in price. The greatest part of the tar consists of mineral oils, representing scarcely 1/3 of the price of paraffin. For this reason the generally used distilling process has become unprofitable.

The manufacture of Montan-wax described in the following extracts from the bituminous coal a valuable product in large quantities. Through the process of extraction there are about 7 to 10% Bitumen obtained. This Bitumen, in a further described process, yields about 50% Montan-wax, which on account of its hardness and high melting point is likely to obtain a higher price than paraffin. Mineral oil becomes thereby a mere byproduct, amounts to about 10% of the Bitumen. The remaining 40% consist of worthless gases and retort coal.

The production of the bitumen, which serves for the manufacture of Montan-wax is done:

1. according to the steam distilling process. Moist brown-coal is distilled in distilling cylinders by steam overheated to about 250°C. and moderate fire until it is burned into coke. The distilled product obtained in this manner, which is distinguished from ordinary brown-coal-tar by its higher melting point (over 70°C), its non-crystallisability and its easy saponifica-

[ATTACHMENT]

Edison-Gesellschaft m. b. H.
Berlin N.

-3-

tion by alkalies, forms the starting material for the production of Montan-wax.

2. According to the extracting process dried brown-coal is extracted by benzine, solca oil or similar means of solution. The extract is of a brown to black colour, shining, hard, brittle, without smell and melts at 80°C. It is used like the above distillate for the production of Montan-wax. The bitumen of brown-coal obtained according to 1 and 2 is then melted and heated over 300°C. in a distilling still. The bitumen is then turned into a crystalline substance the colour of yellow wax, of high melting point (Montan-wax) by leading through it over-heated steam of 250°C. and subsequent repeated steam distillations. This Montan-wax can then be purified by pressing with organic means of solutions and subsequent treatment with bleaching powder. The purified Montan-wax is a quite hard crystalline substance, melting at 70°C. or higher which in distinction from paraffin is completely charred if saponified by alkalies and treated with concentrated sulphuric acid. It consists of two different distinct bodies i.e. an acid and a non-saturated carbohydrate. The separation of both bodies is done by alkaline saponification in an alkaline solution wherein the acid produces a certain potash, soluble in water and crystallisable in alcohol, from which the carbohydrate, which is not soluble in alcohol and water, is separated. The Montan-acid obtained from the potash by precipitation with sulphuric acid or other mineral acid and repeated crystallizing, melts unchanged at 80°C., dissolves in benzine, benzol, ether and alcohol, stiffens after the melting in crystal shape and has its specific gravity of 0,915. The

[ATTACHMENT]

Edison-Gesellschaft m. b. H.
Berlin N.

-4-

potash and sodium salts are easily soluble in water and produce, if further diluted, soap jelly. They are soluble with difficulty in alcohol and crystallize therefrom in matted needles.

The second body of the Montan-wax is an unsaturated carbohydrate and is easily soluble in benzine and benzol, and with more difficulty in alcohol and ether, and crystallizes in benzine in shining white scales; melts at 60,5°C. and has a specific gravity of 0,920. In distinction from paraffin it chars completely if treated with concentrated sulphuric acid.

Both bodies are valuable materials for candles. By distillation without steam Montan-acid as well as carbohydrate turns into paraffin and mineral oils.

P a t e n t C l a i m .

Production of Montan-wax consisting of an acid and an unsaturated carbohydrate called Montan-acid or Montan-carbohydrate from the bitumen of brown-coal by treatment with strongly overheated steam with subsequent repeated steam distillations.

Record - Manuf.

Mar. 7, 1906.

James H. White, Esq., Managing Director,
National Phonograph Co., Ltd.,
London, England.

Dear Sir:

I am in receipt of your favor of the 24th of February, enclosing copy of a letter from Kaltenecker dated Feb. 22nd. I am very much surprised at its contents. I have no word from Mr. Schermerhorn that the royalty to the French Authors has been reduced to 20 centimes instead of 25 centimes. You people may think that you have made a good contract in France, but on the contrary, we think that the contract is the worst that has ever been made. After a full conference last week between Messrs. Edison, Dyer and myself, Mr. Dyer wrote very fully to Mr. Marks on the subject. I do not see how anybody could walk into a trap such as has been set by Mr. Vives, representing the Authors Association. He has compelled you to sign a contract which actually prohibits us from doing business in France. I do not see how you could sign a contract in which you agree to pay not less than 25 centimes and then come back and tell me that there is going to be a reduction in the royalty to 20 centimes. If such is the fact, then I presume that a new contract is to be made, and I, therefore, after conference with Messrs. Edison and Dyer, cabled you as follows:

"Letter twenty-fourth; if modified French contract being made see cable giftedness, act accordingly. Make no arrangement Boulevard shop."

I will say to you personally that Mr. Edison is very much upset that any such contract should have been signed either directly or indirectly by any of our interests. The fact remains that a decision was handed down by the courts in favor of the Authors Association. Assuming that we decide to accept the decision and admitting that we will pay the royalty demanded, whether it be 20 or 25 centimes, no further concession should be made than the verdict would indicate, and why our people should have gone further than this we cannot at all understand.

Mr. Dyer's letter went forward to Mr. Marks last week and you will doubtless have seen it ere this, and you will no doubt have seen the cable that was sent by me to Mr. Marks yesterday. You will understand from this that Mr. Edison is seriously considering not only the advisability but the necessity of our withdrawing entirely from France if we are compelled to do business under such an unbusinesslike contract as has been made there. Of course if we are compelled to accept the contract as entered into, I feel sure that the end of it will be that

2. 3/7/06.

J. H. White.

we will liquidate the French company, close up the Levallois factory and discontinue all further business in France. We want to do business, are willing to abide by the decision of the court, subject to further revision (if we consider it necessary), will pay a proper royalty; but to ask us to pay any such amount as 20 or 25 centimes on a 35-cent list price record netting us about 20 cents, and only asking our competitors to pay a 5% royalty on higher price records is to our minds not only obstructive to our business but is what you might as well say prohibitive. You may not realize this on first consideration, but if you will figure the percentage that we are paying as against the percentage that our competitors will pay on higher price records, I do not see how you can for one minute think that we have made a satisfactory contract.

Furthermore, the reading of the contract in the first article would indicate that we must pay a royalty on all records. By the time that you receive this letter Mr. Schermerhorn will no doubt be on the way here, and I presume that he can fully explain the situation, but from the reading of the contract I must say that I cannot understand it.

Then again, in all the cables that originally passed between us 10% royalty was indicated, but when we receive the contract itself we find that the royalty is only 5%, with a minimum of 25 centimes; how do you explain this? As already indicated in the cable to Mr. Marks, we want no further contracts made of any kind until a draft of some has been submitted here. I presume that I will hear from Mr. Marks in regard to this sometime to-day or tomorrow, but in the meantime I can only reiterate what I have already written you--that we are all very much disappointed that any such contract should have been entered into with the Authors Association.

Of course, in view of this situation, it goes without saying that no arrangements whatever must be made looking to taking a shop on any of the Boulevards in Paris, or in fact anywhere else. As to the particular plant that Mr. Vives has, we do not want it at present. It looks to me as though Mr. Vives would like to run our business, his contract would indicate that he can do so if he wants to, and now he wants us to take off his hands some "white elephant" in the way of a shop of which he has not made a success. I do not see it, so do not let Kautenacker make any contract whatever until you first confer fully with me.

Yours very truly,

WEG/IWW

President.

phon. - Mans.

COPY OF MINUTES

OF

BOARD MEETING OF THE NATIONAL PHONOGRAPH CO. LIMITED.

held at

25, Clerkenwell Road, London, E.C.

on

March 28th 1905.

Present Mr. James H. White, Mr. G. Croydon Marks.

Mr. Marks reported that the defence had been put in by the Edison-Bell Co. and a counter claim made, and after a discussion it was decided to instruct Messrs. Ward, Perks & McKay Solicitors, to take over this action and to defend the counter claim so far as it relates to the N.P.Co. Ltd. and to do what Counsel may advise towards getting such struck out as the N.P.Co. Ltd. know nothing about the alleged breaches of contract and other matters between the Edison-Bell Co. and the two American Companies joined as defendants.

Mr. White presented account, reports showing business done to March 1st from December 31st of £31089/16/9. and cash paid in by customers in the same time £32246/13/1. while the expenses account was £4412/18/7. This accounts not including Germany this year.

The list of credits given and of debtors were presented and it was decided to press Lofthouse & Co. for payment on account forthwith.

A proposal having been made in the Public Press for a museum or National record of voices, Mr. White read a copy of a letter he had sent to the "Evening News" offering facilities for securing such.

Mr. White reported that he had arranged with Miss Florrie Ford to sing exclusively for the N.P.Co. Ltd. with permission only to the Russel Hunting Co. as at present constituted also for the Gramophone, no new pieces to be performed for the Edison-Bell Co. The terms arranged were decided to be embodied in an agreement to be drawn up by solicitor.

Mr. White reported that there was an increase of business in all departments and that with the exception of Lofthouse & Co. the payments for goods were coming in satisfactorily.

It was reported that the shop of the Phonograph Supply Co. in Oxford Street, London was now closed.

All. Mathys.
Secretary.

Phon. - Manuf.

COPY OF MINUTES

OF

BOARD MEETING OF THE NATIONAL PHONOGRAPH CO. LTD.

held at

56, Chancery Lane, London, W.C.

on

April 17th 1905⁶

present Mr. J.H. White. Mr. G. Croydon Marks.

Mr. White reported that he had received a communication respecting the Oxford Street premises and submitted a proposal for the purchase of the stock and taking over liabilities on the condition that Factors agreement should be continued and that £1,500. should be allowed to remain in shares of a company to be formed. A discussion followed on the proposal and it was agreed that Mr. White should interview the persons and report at the adjourned meeting to be held on the 20th inst.

It was reported that Mr. White and Mr. Marks had attended at Berlin, had inspected the works and had been with Mr. ~~White~~ ^{White} at the offices of the Edison Gesellschaft, and that the audit was proceeding, ~~the~~ ^{the} business of that Company being considered encouraging and of a progressive nature.

A communication was read from the Income Tax Authorities but the consideration thereof was deferred until the next meeting.

W. Mathys
Secretary

N. P. Co., Ltd.

phon. - Meeting.

A BOARD MEETING was held at 56 Chancery Lane

May 1st, 1905. _____

PRESENT :-

Mr. White and Mr. Marks.

Mr. White reported that he had not concluded the arrangements with the persons proposing to take over the Phono Supply Company's business, but produced a Balance Sheet that had been prepared by the Auditors of the persons negotiating, showing the trade done in the past and expectations for future. It was agreed to take no part in the affairs and to require that no use should be made of our name by the proposers when seeking subscriptions to this new Company.

(Signed) JAS. H. WHITE.

N. P. Co., Ltd.

phon. - Manuf.

BOARD MEETING held at 56 Chancery Lane

May 24th 1905.

PRESENT :-

Mr. White and Mr. Marks.

A discussion arose as to the prices that were being charged in France for records, and as to the Society of Authors' royalties. It was agreed to confer with Mr. Kaltmecker on the subject.

Mr. White reported that Mr. Squire and Mr. Buehler were proceeding to America to-morrow or the 26th instant from Dover.

N. P. Co., Ltd.

Phon. - Legal

A BOARD MEETING was held at 25 Clerkenwell Road

May 31st 1905.

Mr. White reported that business was now somewhat quiet and that no further proposals had come from the Phono Supply Company's Manager.

Mr. Marks submitted letter from Mr. Hough of the Edison-Bell Company offering to agree not to deal in our goods provided we would buy back all their present stock of machines. It was agreed to accept these terms provided machines were not old, and not obliterated in the name-plates, and that stock was not too great.

(Signed) JAS. H. WHITE.

N. P. Co., Ltd.

phon. - Manuf.

BOARD MEETING held at 56 Chancery Lane,
London - July 6th, 1905.

PRESENT :

Mr. Marks and Mr. White.

It was resolved to send instructions to the Credit Lyonnais Bank, in addition to the Birkbeck as previously arranged, that Mr. Lemoine's signature could be on cheques for the Company for endorsement and for drawing.

Mr. White reported that the arrangements in respect to the Phonograph Supply Company had not been carried out, and it was decided to recover what stock was available towards the debts owing by that Company to us.

Lease of the premises, 103 St. John Street, was agreed upon, and Mr. Marks reported having visited the premises for the purpose of obtaining sanction of landlords for the cutting away of walls to form a door-way between present premises and new ones.

Mr. Marks reported that Edison-Bell Company refused to

N. P. Co., Ltd.

· give the number of machines in stock, and declined to sign
agreement unless we blindly agreed to buy their stock.

(Signed) JAS. H. WHITE.

N. P. Co., Ltd.

phon. - legal

BOARD MEETING held at CHANCERY LANE

July 24th, 1905. -

PRESENT :

Mr. White and Mr. Marks.

Mr. White reported that the further attempts of the persons interested in taking over the Phonograph Supply Company's business had failed, and it was accordingly resolved not to have any further dealings with them or others in connection with such, and to notify them that we should not appoint them as Factors.

Mr. Marks reported correspondence had with Edison-Bell and their refusal to agree to cease dealing in our goods unless we purchased entire unknown and unstated stock. Resolved not to accept such proposal.

(Signed) JAS. H. WHITE.

(9/27/05)
Phon. - Wang.

THE NATIONAL PHONOGRAPH CO. LTD.

Board Meeting held at 26, Clerkenwell Road, London. E.C.

August 10th 1905. Present Mr. G. Croydon Marks,

Mr. James H. White.

Mr. White reported Mr. Squire had left for America and that he was arranging duties of staff to suit his absence. It was decided that Mr. Lemoine should for the time undertake the chief of such duties..

The Lease of new premises 103 St John St. was discussed and suggestions made for cutting doorway between the dividing wall. The Records sung by Mr. Scotté were reported to be of fine quality and tone.

Board Meeting held at 56, Chancery Lane, London, W.C.

August 17th 1905. Present Mr. G. Croydon Marks, Mr. J.H. Whit

The lease of the premises 103 St John St. from G. Bryant and another to the N.P.Co.Ltd. was produced and sealed the terms being \$450. rent from 24/6/05. to 25/3/09.

Board Meeting held at 26, Clerkenwell Road, London E.C.

September 9th, 1905. Present Mr. G. Croydon Marks, Mr. J.H. White

Mr. Marks reported that he had seen the Income Tax Surveyor, , and certain adjustments have been made in the amount claimed.

Mr. Marks also reported that he had seen Mr. Hough by appointment, and that the Edison-Bell Company declined to agree not to trade in our goods, and refused to give an undertaking to sell only their own goods in the future. It was, therefore, decided to allow the action to proceed.

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Mr. White reported that the business from Paris was increasing and that the Society of Authors had now decided not to impose a tax upon goods held in stock, but only upon those sold, upon the French Company undertaking to pay Frs. 100 per month as part of the salary of the Inspector, whom the Authors had appointed to look after their interests.

It was reported that the German business was developing satisfactorily, and that the records being sold numbered about 2000 per day.

Mr. White explained that he had visited the factors and had personally informed them that this Company did not intend to allow any misunderstanding to arise as to the position of this Company and imitation products and with a view to preventing confusion of name and mis-use of the title concerning Edison goods it had been decided that factors and dealers must choose as to which goods they would deal in, either the genuine Edison or imitation goods.

It was agreed to send a notice out to all dealers warning them against the imitation machines and goods that were being placed upon the market by various firms.

It was resolved to make Mr. Graf's salary henceforth at the same rate as the Manager in France.

Mr. Marks explained that he was sailing for America on the 9th.

It was reported that the business of August 1905 was bigger than the business of any corresponding August of any other year.

Board Meeting held at Orange, N.J. September 18th 1905.

A Board meeting of the Company was held at Orange, N.J. on September 18th 1905. Present Mr. W.H.Gilmore, Mr. G. Croydon Marks and by invitation Mr. T.A.Edison, Mr. Schermerhorn, and Mr. Dyer.

Mr. Marks explained the difficulty he had experienced in trying to arrange matters with the Edison-Bell Co. in consequence of their declining to undertake to discontinue selling genuine Edison Goods and in consequence of this attitude on the part of Edison-Bell it was resolved to allow the action now pending against them to proceed in the ordinary course.

Mr. Marks drew attention to the manner in which the Edison-Bell Co's machines were now being sold in England with name plates calculated to deceive the eye of the purchaser into the belief that they were machines manufactured at the works of Mr.T.A.Edison, although the body and case of the machine set out that they were Edison-Bell. After a discussion upon this it was agreed to allow the matter to remain in abeyance for the present.

A discussion arose as to notices to be sent to the trade concerning imitation goods on the British market and it was resolved that no notice should be issued having reference of any kind by name to any particular firm, and that no restrictions should be placed upon dealers in regard to their stocking the machines or goods of other makers beyond such as were set out in the Company's trade agreement which all factors and dealers were called upon to sign.

A transfer of one hundred shares from the N.P.Co.Orange in favour of Mr.J.R.Schermerhorn was received and ordered to be registered.

It was decided that as Mr. Gilmore was unable to visit England as frequently as he wished an additional Director should be appointed.

It was resolved that Mr. J. R. Schermerhorn be elected a Director and that in due course a meeting of the shareholders of the Company be called to ratify or confirm this, and that Mr. Schermerhorn should act as Chairman of the Board of Directors in England.

A discussion arose as to the policy of the Company and it was explained that Mr. Schermerhorn was proceeding to England to take up his residence there and that in future Mr. Marks would give greater attention to the commercial affairs of the Company than he had been able to in the past.

Board Meeting held at 25, Clerkenwell Road, London, E.C.
October 17th 1905. Present . Mr. G. Croydon Marks, Mr. J. H. White.
Mr. Schermerhorn.

Mr. Marks reported that as shown by the minutes of the meeting held at Orange on September 18th Mr. Schermerhorn had been elected a Director of the Company and it was agreed that he should act as Chairman of the Board of Directors in England. A discussion arose concerning the terms of discount allowed to factors and it was explained that owing to the concessions made by the N.P.Co. of America it was now possible to grant extra discounts to factors in order to induce them to further advance the sales of the Company's records in face of the competition that exists due to the number of cheaper records now on the British market.

It was resolved to send a circular under the signature of the Chairman to all factors notifying them that a rebate would be allowed upon all records purchased by them since the Commencement of September and this rebate would be to the extent of one penny per record, while the ~~future~~ future price of the records to factors would be reduced by a like amount of one penny.

Mr. White produced a copy of a letter he had written to Mr. W. E. Gilmore dated 30th September 1905 and this was discussed the

(5)

points therein seeming to require attention being met and explained by Mr. Schermerhorn.

Mr. Marks undertook to prepare the circular concerning the concession to factors to be considered at the Board Meeting to be held on the 27th October 1905.

Board Meeting held at 25, Clerkenwell Road, London, E.C.
October 20th, 1905. Present Mr. Schermerhorn, Mr. G. Croydon Marks
Mr. James H. White.

Circulars were considered for issuing to factors and dealers and such were adopted and approved.

It was resolved to notify the Bankers of the Company that Mr. Schermerhorn would in future sign and endorse cheques upon the Company's accounts and that a copy of Mr. Schermerhorn's signature be sent the Bankers with a copy of this resolution and minute authorising them to receive and accept such signature when upon the Company's cheques bills or drafts from this date. -

Resolved that all cheques hereafter drawn on the Company's account at the Credit Lyonnaise be signed on behalf of the Company either by Mr. J.R. Schermerhorn, Mr. G. Croydon Marks, or Mr. J.H. White, and that a copy of this resolution with specimen signatures of these Directors be sent to the Bankers.

Board Meeting held at 25, Clerkenwell Road, London, E.C. October 27th 1905. Present Mr. J.R. Schermerhorn, Mr. G. Croydon Marks, Mr. J.H. White

Letters were read concerning Messrs. Barnett Samuels & Co's practice of paying carriage on their goods and it was resolved that they be notified that such could not be allowed as it was a breach of our agreement that they had signed.

It was resolved to appoint Mr. H. M. Lemoine Assistant Manager to the Company.

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison
MARK

Cable Codes Used: A.L., A.B.C., COMMERCIAL,
LEBEEB'S AND HUNTING'S.

**Thomas A.
EDISON'S**

Photographs, of
Cello Mounted
Records.
Projecting
Kinetoscopes.
Original Films.
Battery Fan
Motors.
Edison-Primary
Batteries.
Bates and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.

25, Clerkenwell Road,
London,

FACTORIES:

Orange, N.J.
U.S.A.
+ Berlin.
+ Paris.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

4th April, 1905.



W. E. Gilmore, Esq.,
Orange, New Jersey.

Dear Sir,

Regarding the matter of charging up the expenses of the various European recording departments, I wrote you on this subject under date of February 15th, and I quote you from my letter as follows :-

"Mr. Buehler has advised me that it is your intention to bill us each month with the exact cost of manufacturing records for British selections as well as the expense of the British Recording Department rather than bill us with a lump sum at the end of each year. I think this is a very good and wise plan indeed, and would appreciate your advising me when you are likely to put this into effect".

During Mr. Schermerhorn's visit here he advised me that it was your intention the European selling offices should assume the expense of the recording end of our business, and that amounts paid out for all the recording departments should not be billed back to Orange. Inasmuch as this arrangement somewhat conflicted with the statement made by Mr. Buehler I asked Mr. Schermerhorn to take up the point as soon as he returned to Orange and see that we were advised definitely. I realize, of course, that Mr. Schermerhorn had a great number of questions to take up with you on his return, and of course everything cannot be decided at once. It occurs to me, however, that this matter may have been overlooked and therefore I write you again on the subject. We are holding all vouchers representing monies paid out since March 1st and have not as yet billed anything back to Orange on account of the Recording Department since the close of our last fiscal year.

As this matter is of considerable importance I would be very grateful if you would let us hear from you definitely as to just

Phon. - Manuf.

N. P. Co., Ltd.

how you would like this handled.

Trusting for reply by return of post

I beg to remain,
Very truly yours,

J. H. White
Managing Director.

J.H.W./L.D.

Telegramm-Adresse: EDIPHON-BERLIN.

EDISON PHONOGRAPHS
AND RECORDS

OFFICES:
53, CHAMBERS STREET
NEW YORK U.S.A.
25, CLEKENWELL ROAD
LONDON E. C.

TRADE
Mark
Thomas A. Edison
MADE
IN U.S.A.

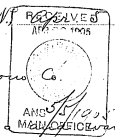
National Phonograph Co
FABRIKEN:
24-25, Süd-Ufer
BERLIN N.

FABRIKEN:
ORANGE N. J. U. S. A.
BERLIN
PARIS
BRUXELLES

Fernsprecher Amt II, No. 2891.

W. J. Hill
W. J. Hill
President National Phon. Co.

Berlin N. 1905



Dear Sir:

I arrived here a week ago and was disappointed in learning that the book-keeper in the Sales office had been discharged, the work was behind, and instead of closing the books for the year had to give a hand to catch up.

Last year when I was here June and July were entered and balances taken off and full instructions given to the man on the books, he went along alright until he struck something that had not been entered before then he fell down, for instance when notes on payments of accounts were received he entered them in the Register, the last few months the work of distribution in the Sales abstract was done in a slovenly manner not only causing annoyance but a loss of time as I am trying to make the books and inventory agree. To-day I finished the opening of the books of

NATIONAL PHONOGRAPH COMPANY,
BERLIN, N.

the factory and have taken off the Trial Balance for March and forwarded the same to Mr. Winter.

I received a letter from Mr. Schermerhorn this morning regarding a copy of Journal entry he had with him and in which I proposed to transfer the loss shown on the London books at the end of Feb. 1904, this was Antwerp business and should not be carried on the books of the Nat. Phon. Co. Ltd. as that company received a commission from Orange for the amount of business done in the British Sale from Oct. 10th to Dec. 31st 1903 and this amount was paid to the Registered Office by the Clerkwell Office who in turn charged same to Orange, the Registered Office with this amount proceeded and made up a balance sheet showing a profit upon which some £13 was paid to the Income Tax people, now as the Clerkwell Office is simply the Sales Office of the National Phon. Co. Ltd. it would not do for this office to show a loss on their books while the Registered Office show a profit, this is my reason for wishing to transfer the amount in question to Orange.

Week preceding last I opened up a set of books for the Bussell Plant installing the same system as at Orange, they were pleased with same claiming it would do away with quite an amount of work and still give them all the information they want.

On the matter of Recording Plant expenses

NATIONAL PHONOGRAPH COMPANY,
BERLIN, N.

I would suggest that the various Sales Office vouchers there and open up an account to be known as "Master Records", this would eliminate the sending of these expenses to Chicago and make the Sales Office Managers responsible for the disbursements, at the end of the year the necessary adjustments could be made.

When I arrived I thought about 10 days would be sufficient to clean up here but as stated above the necessity of going over the Sales abstract has caused my detention but expect to get away by next Wednesday and return to London where I would like to be now on account of the closing at that office.

Yours Truly
W. J. Busher

LONDON

Phone - Sales

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison
MARK

Cable Codes Used: A.L., A.R.C., COMMERCIAL,
LIBERTY AND HUMANITY

Thomas A.
EDISON'S

Phonographs,
Gold Moulded
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Film
Motors,
Edison-Primary
Batteries,
Edison and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH Co. Ltd.

EDISON MANUFACTURING Co. Ltd.

25, Clerkenwell Road,

London, E.C.

APR 17 1905



IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION YOUR REFERENCE

8th April, 1905



W. E. Gilmore, Esq.,
Orange, New Jersey, U.S.A.

Dear Sir,

I have pleasure in enclosing you herewith Statement which I have had made up showing a comparison of sales of records and of all the various type machines for the 12 months, March to February inclusive, years 1903 and 1904, and 1904 and 1905. I think you will find this information to be interesting and useful.

You will note that during the months of September, October, November, December and January 1904 and 1905, our record sales show a decrease as compared with the same months 1903 and 1904, whereas a comparison of machine sales for the same period shows a good increase all round with the exception of the "Gem" account for November 1903 as compared with November 1904. This is undoubtedly due to the big sale of "Gems" during October 1904.

As I have previously written you I attribute a portion of the decrease in the record sales for the above months to the fact that nearly all our competitors in Great Britain reduced the price of their record to one shilling about September of last year, and this of course affected our product for a while. Also during this period we were having considerable trouble in getting new records from the factory, and you will note that our sales of records for January and February, 1905, compare very favourably with the same months of 1904; January 1905 being very nearly equal to January 1904, and February 1905 considerable in excess of February 1904.

Our record sales still continue to increase and the outlook for April and May is exceedingly good. The sales of records as compared with machine sales for the two years in question convinces me that the business is healthy and that the outlook is of the best, as the

N. P. Co., Ltd.

good showing made by machine sales indicates that there is no lack of interest in our goods, and that it is now only a question of getting our new selections on the market as quick as other people to enable us to hold our own, and in fact to increase our record sales for the coming year.

In this connection I wish to say that I hope you will soon arrive at some definite conclusion as to putting down a record plant here in London. I beg to tell you that the Columbia Phonograph Company at the present moment are constructing a plant in one of the London suburbs, and I understand their machinery has nearly all arrived from America. Without doubt they will be in a position to make prompt deliveries of records next season. To the best of my knowledge and belief Messrs. Pathé Freres are also arranging to put down a London plant so that the chances are next year we shall be up against pretty stiff competition so far as the matter of quick delivery is concerned. I have discussed this matter pretty generally with Mr. Schermerhorn, and he has no doubt talked it over with you since his arrival in Orange.

I think it well to send these figures and facts along to you so that you can have them before you in finally deciding the matter.

I would also say that the question of renting the building next door for the purpose of increasing our shipping and stock-carrying capacity is in abeyance until the question of the London plant is fully decided, as of course if we put down a plant here it will only be necessary to carry a very small stock of records in this building and we will have plenty of room and to spare. In fact we could then find room for the Recording Department to work in this building thus dispensing with the Grays Inn Road quarters, which we are now able to give up on six months' notice at any time, and on which we are at present paying a yearly rent of \$1200.

In one of your previous communications you asked me as to whether or not we could cut a door through from our building to the building next door, 103, John Street, in the event of our leasing same. I beg to advise you that we cannot do this inasmuch as the London County Council rules do not permit, and furthermore we could not obtain the consent of the owners. The building next door is, however, joined on to our own, and the two entrances are less than four feet apart so that we would not be inconvenienced due to the fact that we could not cut through the wall.

In connection with our statement shewing comparison of machine and record sales for the two years, I should very much appreciate having your views and comments as soon as you can find it convenient to write me on the subject.

Very truly yours,

J.H.W./L.D.

J. H. White
Managing Director.

[ENCLOSURE]

10.5 (2/6/65)

Comparison of Machines & Records sold during fiscal year 1903/4 to 1904/5

| | Zen | | Standard | | Home | | Triumph | | Concord | | Records | | Increase or Decrease |
|-----------------------------|--------|--------|----------|--------|--------|--------|---------|--------|---------|--------|---------|---------|----------------------------|
| | 1903/4 | 1904/5 | 1903/4 | 1904/5 | 1903/4 | 1904/5 | 1903/4 | 1904/5 | 1903/4 | 1904/5 | 1903/4 | 1904/5 | |
| <i>March</i> | 338 | 2165 | 306 | 556 | 81 | 153 | 4 | 30 | 6 | 7 | 88780 | 258738 | 169958 |
| <i>April</i> | 75 | 685 | 376 | 405 | 57 | 134 | 1 | 7 | - | 3 | 62918 | 250496 | 187578 |
| <i>May</i> | 102 | 499 | 241 | 414 | 92 | 98 | 11 | 27 | - | 6 | 50675 | 189548 | 138873 |
| <i>June</i> | 157 | 305 | 269 | 1715 | 57 | 567 | 3 | 7 | 4 | 11 | 62126 | 194765 | 132639 |
| <i>July</i> | 171 | 2205 | 256 | 1117 | 54 | 195 | 3 | 68 | 2 | 5 | 36183 | 92533 | 56350 |
| <i>August</i> | 678 | 544 | 405 | 470 | 129 | 198 | 15 | 22 | 8 | 7 | 88605 | 33898 | 4707 |
| <i>September</i> | 765 | 2289 | 122 | 1897 | 266 | 523 | 9 | 47 | 3 | 1 | 109606 | 161666 | 52060 |
| <i>October</i> | 462 | 2116 | 931 | 2033 | 629 | 522 | 17 | 53 | 13 | 5 | 242615 | 210251 | 32364 |
| <i>November</i> | 4494 | 3050 | 2608 | 1931 | 908 | 671 | 65 | 76 | 18 | 5 | 379528 | 230940 | 148588 |
| <i>December</i> | 3026 | 4780 | 1648 | 2475 | 464 | 658 | 70 | 95 | 13 | 11 | 458400 | 218407 | 239993 |
| <i>January</i> | 1500 | 1696 | 583 | 1022 | 269 | 298 | 24 | 29 | 7 | 3 | 170119 | 143286 | 26833 |
| <i>February</i> | 715 | 1727 | 3005 | 1162 | 622 | 200 | 40 | 55 | 9 | 6 | 259920 | 334318 | 74398 |
| <i>Total</i> | 12483 | 21458 | 10750 | 15797 | 3622 | 4257 | 267 | 510 | 83 | 75 | 2009475 | 3368946 | 359371 |
| <i>Increase or Decrease</i> | | 8975 | | 4447 | | 635 | | 243 | | 8 | | | |

CABLE ADDRESS: "ZYMOTIC, NEW YORK."
A.L., B.C., COMMERCIAL, LIEBER'S, HUNTING'S AND PRIVATE CODES USED.

TELEPHONE,
4410 FRANKLIN.

FOREIGN DEPARTMENT
OF THE

NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.

31 UNION SQUARE, COR. BROADWAY & 16TH STREET.

53 CHAMBERS STREET

NEW YORK, N.Y.

TRADE
Thomas A. Edison
MARK

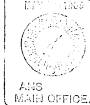
EDISON PHONOGRAPHS
AND RECORDS
EDISON PROJECTING KINETOSCOPES
AND ORIGINAL FILMS
EDISON PRIMARY BATTERIES
AND FAN MOTOR GAFFES
BATES AND EDISON NUMBERING MACHINES.

FACTORIES:
BRANDENBURG, U.S.A.

EUROPEAN OFFICE,
38 MARK LANE, LONDON, E. C.
25 CLENKENWELL ROAD,
LONDON, E. C.

New York, N.Y. May 12, 1905.

Mr. W. E. Gilmore, Pres't.,
National Phonograph Co.,
Orange, New Jersey.



Dear Sir:--

With further reference to the matter of sending a representative to Australia, would state that MR. WILLIAM W. WYPER, at present employed with the Ansonia Brass & Copper Co., would be pleased to serve you in that capacity.

Mr. Wyper has been employed by the Ansonia people for about 12 years and I have been personally acquainted with him about 6 years, and know him to be a man of sterling character, strictly temperate and of good business ability.

I am sure you will appreciate that in sending a man to fill so important a position that it is necessary that he be not only a good salesman, but also possess a knowledge of general office work combined with a pleasing personality. These qualifications I am sure Mr. Wyper possesses. On the other hand I believe from the fact that Australia being Mr. Wyper's birthplace and his home for a number of years, that he will, particularly acceptable to the Australian trade.

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

May 12, 1905.

WEG--2.

As to his business ability and general worth, I am sure the Ansonia people will give you this information.

There is one advantage in sending a man of this kind to this distant field, viz., there would be little danger of his developing a "yellow streak" and deserting the field on account of homesickness or other causes.

Mr. Wyper's family consists of himself, wife, one daughter --about 8 or 9 years of age---and one son about 3 years. . . If his services are accepted, he will go there with an idea of making Australia his home.

Should you decide to accept him and will so advise me, I will be pleased to communicate with him. He is ready to accept the position at once, after giving a reasonable notice to his present employers.

Awaiting your decision, I am

Very truly yours,

Walter E. Swins
MANAGER FOREIGN DEPT.

WE/AL

[FROM WILLIAM E. GILMORE]

May 31, 1905.

Mr. G. Croydon Marks,
16 Southampton Buildings,
Chancery Lane,
London, ENGLAND.

Dear Sir:

On the 29th I received the following cable from you:

"Hough just called. Proposes each side withdraw all claims present and past, including American. Bell will not buy Edison Machines except through us. Will sign agreement and will not sell their own make machines less price than ours. Cable immediately. (Signed) Giftedness."

To which I replied under same date, as follows:

"Will not consider acceptance Edison-Bell proposition. Understand our present legal position best. Their business methods detrimental our interests. (Signed) Gilmore."

Immediately on receipt of your cable I at once got into communication with Messrs. Edison and Nyer, and we discussed this question quite fully, and, in view of the information obtained from Mr. Nyer as to the legal status of our suit against them, the opinion seems to be that we were in a better position to continue the suit, rather than compromise with the Edison-Bell Company. From a commercial standpoint, we are not at all inclined to take on this concern, as we are satisfied that they have found that their production, both as to phonographs manufactured by themselves as well as records which they manufacture, are not satisfactory, and the methods that they have pursued in connection with the sale of their apparatus have not only proven detrimental to

5/31/05.

G. Croydon Marks.

themselves, but have not done our business a bit of good; and now, when they find that they are losing what little business they did have, they are naturally anxious to compromise with us and thus endeavor to save a losing cause. Of course, the situation may have changed somewhat recently, and both Mr. White and yourself may be of different opinion. If so, I assume that you have written me fully, and that Mr. White will have addressed me fully on the subject, so that if it is necessary we can reconsider this. On the whole, I do not consider it a good proposition for us to effect any compromise with the Edison-Bell Company, if we can avoid it. We are satisfied that they are simply endeavoring now to have us build up their business, which they have ruined by the business methods heretofore pursued by the company, under the administration of Mr. James H. Hough. Furthermore, we are of the opinion that all they want to do is to arrange to use the name of Edison in such a way as will inure to their benefit without our receiving any more benefit than they are compelled to give us, and I do not see where it would be good business policy to attempt to trade with them only on phonographs, as, of course, our opinion is that they will purchase no records from us so long as they can continue to manufacture and sell their so-called Standard records at one shilling each against our records of same type, sold at a higher price. The "bull-dozing" tactics heretofore pursued by them we do not and have never countenanced and, generally speaking, we do not consider that a compromise arrangement of any kind with this company could prove anything but detrimental to our interests in the long run. If you have different views as to this, I presume you will have communicated them to us and, of course, I will take it up immediately I hear from you, and will let you hear from us further.

Trusting that after due consideration you will agree with us entirely, and awaiting your further favors, I am,

Yours very truly,

Thomas A. Edison

Téléphone 5560

National Phonograph Co

And Records

Usines de Bruxelles

ENREGISTREMENT :
BRUXELLES
PARIS
BERLIN
LONDRES

55, QUAI DU HALAGE, 55

Records
Maison
USINES :
ORANGE N. J. U. S. A.
BRUXELLES
PARIS
BERLIN

Adr. Télégr. RANDOMLY-RECEIVED
JUN 16 1905
June 2nd 1905
PARIS
ANS
MAIN OFFICE

Answer
Mr. William E. Gilmore, President,
THE NATIONAL PHONOGRAPH CO.,
ORANGE, N. J. U. S. A.

Dear Sir:-

Please find enclosed herewith condensed European factory report for week ending May 30th, of Brussels, Paris and Berlin factories, also Brussels Wax Plant.

The average approximate cost of each European manufactured record made during the month of May, that is, beginning from the week ending May 2nd, and ending May 30th is Frs. 0.66.3 (\$0.13)

In order to find this result we have taken as a basis, as usual, the full amount of monies received at our various factories, and the cost of moulds, general expenses, wax, etc. is included in this statement; consequently, the cost given is a very maximum one, as amongst expenditures are those of improvements, fixtures and fixtures, machinery and tools, etc., which should not be included in finding the cost of the record.

You will note that the cost is somewhat higher than it has been in the previous months, and this is due to the fact that we have but little to do at our factories, but we are promised more orders in the future, which I sincerely hope will prove to be true.

I also enclose you a statement giving the number of selections we have in use at our various plants. This statement was

NATIONAL PHONOGRAPH C^o

Brussels, June 2nd 1905.

Mr. William E. Gilmore, President,
THE NATIONAL PHONOGRAPH C^o.
ORANGE. N.J. U.S.A.

SHEET 2.-

taken May 30th, and shows the different amounts of moulds which we have, for the various nationalities.

This statement shows that we have a total of 661 selections at our Brussels Factory, a total of 509 selections at our Berlin Factory, and a total of 639 selections at the Paris Factory, of which 478 are French selections, and 161 Spanish selections.

We have a stock of records at all our plants of all these selections enumerated above, and this statement is given with a view to show the progress that is being made at our different factories in building up our various catalogues.

Under date of May 19th I wrote you as to the advisability of either making a new set of French moulds at our Brussels Factory, or having French moulds sent periodically from our Levallois-Perret factory, in order to carry a stock of French records coming under the law of the Authors Rights Society here, at the Brussels Factory; we began the shipping of moulds, and the first batch of 50 moulds arrived at Brussels this week from Paris.

The question of paying a continuous Custom duties on these moulds arose, and in order to avoid paying such custom duties twice, I petitioned the Secretary of Finance in Belgium in order to obtain the free entrance of our moulds, which would be assessed generally at 15% duties of the value thereof. I was assured that in producing proofs of the re-shipment of the moulds to our Paris plant, we would be allowed free entrance, which of course is quite

NATIONAL PHONOGRAPH C^o

Brussels, June 3rd, 1905.

Mr. William E. Gilmore, President,
THE NATIONAL PHONOGRAPH C^o.
O R A N G E. N.J. U.S.A.

SHEET 3.-

a saving. I will also try to obtain the same at the Paris end, which, however, is more difficult to obtain than here; still we are working towards that result in Paris also, and I hope that we shall obtain our rights, which are justified, as we have paid Custom duties once already, and therefore it would be unjust if we should be assessed every time the moulds are shipped from one factory to another.

I have also your esteemed favour dated May 22, in which you state that there is some experimental work awaiting Mr. Wurth at Orange, and that he may start for home as soon as he has completed his work in Europe, to which I beg to reply that I have written Mr. Wurth, who is in Paris, to-day. Mr. Wurth is putting some finishing touches to the work begun there, and amongst other work that of changing the regular moulds over to label moulds. I have instructed him to finish as soon as practicable, that is to say, prepare to leave Paris in a week or 10 days, and if there should be some unfinished work remaining, which he has begun, to instruct our foremen at the Levallois-Perret plant, giving him full particulars, in order to facilitate the finishing of the work commenced by him (Mr. Wurth). I am awaiting the answer to my letter, stating when he will be able to leave the factory, and will advise you exactly when Mr. Wurth will start from Paris.

I note, in the latter part of your letter, that you ask if we have overcome the blistering of moulds, which occurred in the nickel-plating, and which made the records made from such

NATIONAL PHONOGRAPH CO.

Brussels, June 3rd 1905.

Mr. William E. Gilmore, President,

SHEET 4.-

moulds very rough on the surface, in reply to which I wish to state that we have entirely overcome all difficulties in the nickel-plating of moulds. In the beginning we had some trouble, and some of the moulds nickel-plated showed a certain amount of blisters, but, as above stated, we have long ago overcome this difficulty, and have now absolutely no trouble in nickel-plating at either of our factories.

Yours very truly

THE NATIONAL PHONOGRAPH CO.

European Superintendent.

Enclosures.-

[ENCLOSURE]

NATIONAL PHONOGRAPH C^o.

-:-:-:-:-

BRUSSELS FACTORY

The following is the number of selections for which we can manufacture records:-

American selections.....236
British Selections.....343 (cut selections not included in this amt.)
Hebrew selections..... 23
Flemish & Wallonish selections 59

661

-:-:-:-:-

BERLIN FACTORY.

The following is the number of selections for which we can manufacture records:-

German selections.....308
Polish selections..... 4
Bohemian selections..... 17
French selections with
German titles..... 55
American selections..... 77
Hebrew selections..... 24
Danish selections..... 24

509

-:-:-:-:-

PARIS FACTORY.

The following is the number of selections for which we can manufacture records:-

French selections.....478
Spanish selections.....161

639

-:-:-:-:-

THIS INVENTORY WAS TAKEN MAY 30th.

Thomas A. Edison
National Phonograph Co.
Edison Manufacturing Co.
Bates Manufacturing Co.
Edison Storage Battery Co.

Legal Department

Record - Mamef.

Telephone Will Change
Call Rochester Legal Change

Frank L. Dyer: Counsel
Edwin H. Holden: Assistant Counsel

See also Phono. - Patents

Letter of May 25, 1905
Orange, N.J. June 6th, 1905.

PRIVATE AND CONFIDENTIAL.

G. Croydon Marks, Esq.,

18 Southampton Buildings,

London, England.

Dear Mr. Marks:-

You may know that in the manufacture of our present molded record composition we no longer use carnauba wax, but employ material called Ebonite or "Montan-wax", which we purchase through an importing house in New York City. This material is manufactured either in Germany or Austria by the distillation of brown coal and is covered by Letters Patent of the United States granted to Edgar Von Boyen of Hamburg, Germany, No. 689,381 of Dec. 24, 1901 and No. 690,693 of Jan. 7, 1902. The patents in question not only cover the wax as a new product, but also, processes for making the same. As yet, our principal competitor here, the American Graphophone Company has not discovered that we make use of Ebonite in our composition, but is still using the more expensive Carnauba wax. We would like, if possible, either to purchase the patents, if they can be obtained at a reasonable figure, or to secure an exclusive license thereunder to use and sell the material in

G. Croydon Marks - 2.

connection with the manufacture of talking machine records, in order to prevent the American Graphophone Company from taking advantage of the low price and superior qualities of the material in the manufacture of their own records. If either cannot be done, we would like at least to secure from the manufacturer, or European exporter, a contract to purchase the material in such quantities as we may desire during the lives of the patents, in order that the Graphophone Company may not acquire the patents or an exclusive license thereunder by which they could prevent us from using the material. The negotiations which I would like to have you initiate and carry forward are very delicate indeed, since it is possible that the European manufacturers do not know the value of this material for our purpose. What we would like to obtain, if possible, is one of three things in the order below presented:

First: To purchase the patents outright from the inventor, provided the price is low enough. You might explain that since at the present time, there are no known deposits of brown coal in America from which the material could be derived, the patents ought not to be regarded of much value, since their purchase would be largely speculative and would depend on the later discovery of a suitable material from which the product can be secured. Of course, before closing any negotiations on this line, you should submit the price to Mr. Gilmore for his approval.

G. Croydon Marks - 3.

Second: To secure an exclusive license to use the material in connection with the manufacture of talking machine records. In that case, in addition to paying a fair price for the license, we would also agree to purchase such quantities of the material as we would need in our business either directly from the European manufacturer or from the New York importers at the prevailing market price, provided the latter does not exceed the price now paid for the material.

Third: To secure a contract either directly with the European manufacturer, or importer, in which the patentee should join, agreeing to furnish us with such quantities of the material as we may wish during the lives of the patents at a price to be agreed upon from time to time, but in no event to exceed the present price paid for the same, said contract to contain an agreement on the part of the patentee not to dispose of any rights under his patents by which our rights under the contract would be affected.

In other words, the contract would be coupled with a separate non-exclusive license, giving us the right to use the material in the manufacture of talking machine records so long as we purchase the same from the European manufacturer.

Before commencing your negotiations with the patentee, I suggest that you talk over the matter with Mr. Riehl, in order that you may know just what the situation is. Mr. Riehl has

G. Croydon Marks - 4.

bought large amounts of the Montan-wax from Mr. Joh. N.V. Conradi, Kl. Johannistr. 9, Johannishof, Hemburg, and possibly Mr. Conradi may be able to assist you materially, since he lives in the same town as Mr. Von Bcyen. Possibly, also, Dr. Schneider might be of assistance, but in any event, we regard the matter as important and hope that you will take it up as soon as possible.

Kindly keep me informed as to progress.

Yours very truly,

FLD/ARK

[ATTACHMENT]

Record - Manuf.
(June, 1905)

Hulme =

Probably the best way to approach
the German Patentee of the
Ebanite is to offer ten
thousand dollars for the Exclusive
license ~~for~~ under the patent
for Phonograph Records and
for a guaranteed minimum
of ~~one~~ purchase of five tons
per week to hold the Exclusive
license. ^{at present prices or lower if the price is} The advantage to
the patentee would be that we
would acknowledge validity of patent
~~we~~ would be interested in
sustaining his patent here &
should he fall out he would
have a valuable business
to turn over to any proposed
Company # We are to have the
right to cease buying & giving up

[ATTACHMENT]

Exclusion license on 3 months notice
but money payment to be forfeited
in case we do so,

I think you better run the
deal through Bergmann
tell B that it gives us a
little advantage in first
cost of records

E

Copy

Orange, June 20th, 1905.

Formulae of wax for moulding master Records from mother moulds.
This formulae to be made up under the directions given to make wax,
using Ebonite as a substitute for carnanba wax.

- 100 lbs. Stearic Acid
- 64 lbs Ebonite
- 22.13 lbs Recrystallized Sal Soda
- 468.5 g^{ms} Caustic Soda
- 113.47 " Copper Powder
- 181.28 " Aluminum

With this formulae no ceresine is used.

D.A. Dodd.

*To Riehe
6/27/1905
JD*

Record - Manuf.

--Copy.--

June 23rd, 1905.

Mr. White:-

I wish to call your attention to the importance of having committee meetings to be set on certain dates, and that the members are notified in advance, so that there will be no excuse for postponement of same. I have read your memo of June 15th to Hayes stating that meetings should take place on the 5th of each month, but I find that it did not take place until the 21st. At this meeting I believe we rejected six selections out of the seventeen submitted, the accepted selections to be used for the August supplement. As I understand that you intend ^{to} have about 18 selections on this supplement it will be up to the recording department to make six additional selections; it will also be necessary to call another Committee meeting to pass on them and have same delivered in Brussels by July 1st. Under present conditions in the Recording Department this will be a difficult thing to do.

This will show you the importance of having the committee meeting earlier in the month, and I would insist that they meet not later than the 15th, unless absolutely unavoidable; at this date records for the supplement should be approved and finished complete for delivery to Brussels.

I wish also that you would decide on a definite number of selections you want listed each month, and put it up to the Recording Department to have them ready. I would also suggest ~~that~~ whatever number is decided upon it should be an even number, and would add that in my opinion 12 to 18 selections would be enough, when the American supplement is taken into consideration. The average phonograph user does not buy over one dozen records per month and listing 36 to 40 selections should give him liberal choice to select from. The suggestion of selecting an even number is to

No 2

accomodate the packing of the records.

I have instructed Hayes and Milestone to send written notices to members of the Committee three or four days in advance of date set, also to keep copies of the minutes of the meeting and to always send copy of same to me. This will keep me informed somewhat and enable me to render all the assistance possible.

I would also request you to give letters introducing Mr. Hayes, Mr. Milestone and Mr. Seymour to some of your most active factors, and I have instructed them to take a half a day twice a month to visit them to make enquiries as to how the records they make are going, and to get any information that will be of value to them in improving their product.

Mr. Milestone has been ordered to ~~keep~~ ^{start} a book to keep inventory of sales, so that all can keep informed as to which talent sells best, and Mr. Seymour is to make the selections on the supplement to conform to this report as near as is consistent and give the proper variety, and I trust you will give him these figures to get the book up to date.

I would also recommend that the Committee be increased by at least two members; as it is now there is only two members outside of the Recording Department when yourself and Hayes are out of town.

It is also advisable that the recording Department should assign the numbers, and I have instructed Mr. Seymour to do so.

Masters are not to be sent to Brussels until passed upon by Committee, and to the selections which have been passed Seymour will assign numbers in such a manner that will make the supplement look as varied as possible; at the same time he will also mark the number on each label within the master.

In regard to the booking of Talent, no masters of new talent will be made until acted upon by Committee, and it is understood that the Recording Department has the authority to book such talent as has proved itself satisfactory, without first getting the consent of the Sales Departments.

W. H. Miller.

[JUNE 23, 1905]

-- Copy. --

Messrs. Graf & Hayes.

In looking over the recording plant I find there are a number of records which are not up to the standard and should never have been passed. I also find quite a few mould duplicates which are much weaker than the masters. I have explained the cause of the latter defect to Mr. Grusser as you know and if he will follow carefully my instructions the records will be as good as those made in America as far as loss of volume is concerned. In regard to the poor masters would say that I am testing out a lot of good diaphragms and will run a number of dates to instruct them in the latest improvements.

There also seems to be an understanding in the record department that if records of a new singer are wanted or masters of a certain piece of music, that they are to make the best record possible of same and that will be satisfactory, and have advised them that this ^{is} wrong, that we do not want any masters made or passed that are not up to the standard. If the piece will not record well it should never be passed.

If the selection be a band piece and it does not record well it should be rearranged until proper results are obtained. If a singer does not make a good record of a certain song, it should be tried by another.

I also wish to advise you that I have instructed the Recording Department not to make any more masters unless we have a good announcement on them; when I arrived here I found them recording

Messrs. Graf & Hayes. No. 2.

a female voice and letting her make her own announcement and would add that I have yet to find a female that could give satisfaction in this respect.

In regard to the passing of masters I have advised the recording department that a committee will be formed of yourself and not less than four additional members whom you will select from your working force, to pass upon their work, and when this committee is in session they should all be free to express their own frank opinion. At these meetings some of the best records of competing firms should be shown from time to time in order to keep posted on our competitors. These meetings should occur on the evenings of the 5th and 15th of each month, so that all members will be prepared to come. At the same time the Recording Department will send out notices three days in advance. Regular minutes of the meetings should be kept and copy sent me in New York. I trust you will appoint some one from your department to do this work and be sure and send Hayes and Quadfasel a copy.

It may be wise to have the committee listen to the three masters of each selection. This can readily be done as you only list twenty selections per month and half could be listened to at each meeting. The Recording Department will have extra samples if you think this is unnecessary, but if these samples are used same should have written on the label why they were rejected.

The Musician's Critic which you are about to engage will have the power to discard any master which he thinks imperfect when he gets thoroughly posted on the quality of masters desired, but should there be any difference between him and Quadfasel, the latter will have the privilege to bring same before the committee for final action.

Messrs. Graf & Haynes.

No. 3.

The duties of the Musical Critic will be to assist in inspecting all masters, to select the selections for the supplement, that will make a good variety and that will be consistent with the sales report that you will give the department monthly and to see that all selections are played in a musical manner, to lay out medleys for the bandmaster, and also to see that the proper balance is obtained in all masters made and to assist Quadfasel in every respect.

In regard to the booking of new talent; no masters of new talent will be made until passed upon by committee. I would also suggest that you give letters of introduction to your most active dealers for Hayes, Quadfasel and Musical Critic, so that they may call on them monthly to get any information that will be of value to them in improving their product.

Quadfasel and the Musical Critic should go to the theatre regularly at Company's expense in order not to miss anything musical that will be of value to us. When selections are made of over, Quadfasel will notify the factory to discard the old molds. Please instruct Musical Critic to advise us whenever our bandleader brings us poor musicians, which I know exists at the present time. Have ordered to small trombones from London and if his work is no better on this instrument, I shall insist that we secure another at once.

As soon as the committee passes on the masters of selections, numbers should be assigned so that the ~~master~~ factory can begin work on them at once. We should also have a number of extra selections which have already been passed by Committee but not numbered, which can be used to replace a selection which might be rejected by them. I think the above will cover all the points with reference to the relation of the sales and Recording Department and should any misunderstanding occur later, I shall be glad to hear from you.

(Sgd) W. H. Miller.

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison
MARK

Phon. - Sales

Cable Codes Used: A.I., A.R.C., COMMERCIAL,
LIEBEN'S and HUNTING'S.

**Thomas A.
EDISON'S**

Photographs,
Gold Mounted
Records,
Projecting
Kinescopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH GO. Ltd.
EDISON MANUFACTURING GO. Ltd.**

25, Clerkenwell Road,

London, E.C.

FACTORIES:
Orange, N.J.
U.S.A.
Berlin.
Paris.
Brussels.

IN REPLYING TO ORDERS THE COMPANY WILL
BE OBLIGED TO RECEIVE THESE OUTRAYS.



22nd July, 1905.

W. E. Gilmore

Office of Mr. Versey
MANU OF PUSE

Dear Sir,

I enclose you herewith rough draft of a circular letter which we propose sending out some time before September 1st to every music dealer in Great Britain and Ireland. The music trade in Great Britain, as you doubtless know, have not as a whole taken up vigorously the sale of phonographs and records. I am under the impression that somewhat the same conditions exist in America. What I want to do this Winter is to induce as many music dealers as possible to take up the sale of our material. I have sent a draft of this letter along to Messrs. Graf, Kaltensecker and Eenberg with the suggestion that they send on a like communication to music dealers in their territory provided the conditions warrant. As this letter will not go out to the trade for considerable over a month, I shall be very glad if you will read it over carefully and let us have any criticism you wish to make or any changes you feel like suggesting.

Perhaps you may also think the letter will interest Mr. Wilson,

N. P. Co., Ltd.

if so you might pass it along to him before returning with your
comments.

Very truly yours,


Managing Director.

J.H.W./L.D.

[ENCLOSURE]

Letter to all Music Dealers

From information which we have gathered we believe it to be an incontestable fact that Music Dealers, and especially those of the higher class, have devoted very little attention to the steadily increasing trade in EDISON PHONOGRAPHS and RECORDS. The result of this disinclination on the part of the Music Dealers to seek new branches in which a profitable business can be done is that the principal retailers of these Machines are Ironmongers, Cycle Agents, and Typewriter supply houses. The reasons of music houses for refraining from handling this line of goods are as unaccountable as those which should have recommended it are obvious. No objection could possibly be raised on the score that an Edison Phonograph is merely a machine, and is not worthy of the consideration of dealers. The automatic piano-player is just as mechanical in its action as a Phonograph. Moreover, nobody but a faddist will deny the many artistic and pleasure giving qualities of the latter device.

Nowadays EDISON GOLD-MOULDED RECORDS have attained such perfection and such minute fidelity of reproduction that not only are the purely entertaining properties of the instrument acknowledged but also its position as an educational factor is indisputable. The vocal student who, by circumstances of distances, is debarred from hearing great artistes, such as -----

can do so at any time and as often as he likes by means of the EDISON PHONOGRAPH. The British Museum, recognizing this has caused records by our famous statesmen and singers to be preserved for the edification and instruction of future generations.

[ENCLOSURE]

--2--

On purely business grounds we cannot think of any adverse argument, not even the one that such a machine would oust the piano from its position as chief instrument of household amusement. The Phonograph was never intended to enter into competition with the piano, but in the case of, let us say, a young married couple, who are not overburdened with wealth, and who, whilst unable to play any instrument, are yet sufficiently musical to want some kind of music in their home, a Phonograph will meet their requirements admirably. A piano-player, with which a piano is necessarily required, would mean a too heavy expense in the majority of cases. A Phonograph, on the other hand, represents the outlay of a much smaller sum and would answer the purpose required. In addition to this there is to be considered the fascinating pleasure derived from making records of the voices of ones friends or family. Why should Music Dealers then allow this valuable addition to their business to escape them? more especially in these times when they complain of their inability to sell expensive instruments should such an additional source of income be very welcome, especially as the outlay on each instrument is small and the space required not excessive.

The gross business of the National Phonograph Company during 1904 amounted to many hundred thousands of pounds, and as the discounts offered to dealers are very liberal you can easily form an idea as to the enormous profit derived by those who handle our goods.

[ENCLOSURE]

--3--

WE ASK YOU TO ASK YOURSELF why you should not figure in these profits. If you are not satisfied with the profits of your business at the present time communicate with us and we will furnish you with terms and particulars.

NATIONAL PHONOGRAPH COMPANY, LIMITED.

25, Clerkenwell Road, E.C.

European Headquarters for Products of
Laboratory, Thomas A. Edison.

--Copy--

July 24, 1905.

Mr. Kaltenecker:-

In regard to the conversation Mr. White and myself had with you with reference to Committee, would say that Mr. Riehl has offered us the services of Messrs. Dela, Wickly and Leviqne, who will represent the factory end at the meeting. I would suggest that these Meetings occur twice a month, and that regular dates be set for same, say the 5th and 15th of each month, so that each member will be prepared to keep this time open, and that they take place in the evening otherwise the men from the factory cannot be present.

I think it also advisable to have one or two men from the office beside yourself and Mr. Rummel in order to make a good size Committee. It will be the duty of the Recording Department to send out written notice three days in advance of a meeting so that the date will not be overlooked by any of its members.

It will be the duty of the Committee to inspect the 3rd masters of every selections that is intended to be catalogues, and none should be passed unless it is entirely satisfactory. The Recording Department must see that masters Nos. 1 and 2 are as good in every respect as No. 3. They should use great care when this master is reproduced to see that it is not injured by the reproducer. If at any time the Recording Department is able to secure records which sound as good as any of themasters, but has some mechanical defect, would suggest that it be used instead of No. 3.

The Committee's duty besides the inspection of masters, will be to listen to comparison of our own records with that of competing Companies, and should they find any of our produce inferior, same should be made over promptly.

They should also pass on trials of new singers, whose name can be obtained from the artistes, and each member should be allowed to

Mr. Kaltenecker:-

No. 2.

express his opinion freely. Mr. Rummel should have authority to pass only such records as he thinks are satisfactory, and should there be a misunderstanding between him and the recording Department at any time in this respect the records should be saved and decided by the Committee, but if the point in question be a musical one Mr. Rummel should be given necessary consideration.

Whenever it is possible samples of new selections, Bands and Vocals, should be submitted for opinions, especially when Mr. Rummel and the Recording Department are in doubt as to its value for phonograph purposes. When recording a Band selection and it is found same does not record well, it should be re-arranged until proper results are obtained. If a singer does not make a good record of a certain song, same should be tried by another.

I have also advised the Recording Department to be careful in regard to announcements, and not to make records by an inferior announcer.

Minutes of the Committee Meeting should be kept and a copy sent to me at New York, also a copy to the Recording Department, Mr. White, and Mr. Hayes. These Minutes should contain the names of members present, date of meeting, selected passed and rejected, and comments on same.

I would also suggest that members of the Recording Department be given letters of introduction to your best dealers so that they may call on them monthly to get any information that will be of value to them in improving their product.

As soon as the Committee has passed on the masters of Selections, numbers should be assigned to them so that the factory can begin work at once. It is also advisable to have a number of extra selections which have already been passed by Committee but not

Mr. Kaltenecker:-

No. 3.

numbered, which can be used to replace any selections rejected by them.

I think the above covers most of the points with reference to the relation of the Sales & Recording Department and the duties of the Committee.

W. H. Miller.

ELEVEN YEARS' EXPERIENCE ABROAD IN PLACING AND EXPLOITING AMERICAN ENTERPRISES.

FRANCK Z. MAGUIRE,

LONDON:
No. 5 WARWICK COURT,
HIGH HOLBORN, W. C.

NEW YORK:
ASTOR BUILDING,
No. 10 WALL ST.

CHARS: "SPECIFYING" NEW YORK.
"SPECIFYING" LONDON.
WESTERN UNION CODE.

TELEPHONE, 6500 CORTLANDT.
NO. 10 WALL STREET.

THE MARKETING OF
PATENTS,
AMERICAN AND FOREIGN,
A SPECIALTY.

NEW YORK,

Aug 2, 1900.

W. E. Gilmore, Esq.,
Orange N. J.

My Dear Gilmore:-

Am glad to hear
8/5/00
ms

Came with me some day this week?
I am sailing on Wednesday. It
has occurred to me that perhaps I might
be of some use to Mr. Edison and
yourself in connection with the
battery or something else this fall.
I have sold the DeForest patents
in Europe to a very important
group and I have got the Car-
tridge business into a safe enough

position to go to Europe and
leave the business to my
associates. I am in a
splendid position to handle
really good financial bus-
iness.

There are ^{also} several matters
which may be of interest which
I don't want to write about

Yours truly
J. W. [unclear]

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A. Edison
MARK

Cable Codes Used: A.L., A.R.G., COMMERCIAL,
LIEBEN'S AND HUNTING'S.

**Thomas A.
EDISON'S**

Phonographs,
Cello Resonated
Records,
Projecting
Microscopes,
Original Films,
Bioscope Fan
Motes,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.

25, Clerkenwell Road,
London, E.C.

FACTORIES:

Orange, N.J.,
U.S.A.
+ Berlin.
+ Paris.
+ Brussels.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS

4th October, 1905.

Mr. Peter Weber,
The National Phonograph Company,
Orange, New Jersey.

Dear Mr. Weber,

I regret to say that the first business letter which I shall write while here must be in the nature of a complaint.

The changes which you made in the starting stop lever on the "Gem" machine is being very severely criticised by the principal jobbers and dealers here. The chief criticism is that it is impossible to regulate the speed of the machine. Of course, I know how the regulating screw is operated, but there is nothing whatever in the instruction sheet to advise the user or owner of the machine as to how this feature is to be got at. It is my recollection that when I talked to you about this I suggested that the instruction sheets be so changed as to give full information regarding this particular change. The instruction sheets, however, which are now accompanying "Gem" machines do not make any mention of the change, nor does it tell the user how to regulate the speed of the machine. Will you please, therefore, see that the

N. P. Co., Ltd.

instructions sheets are immediately changed so as to embody this very important feature, and give positive instructions that the correct instruction sheets be packed with each and every "Gem" phonograph that is hereafter shipped from the factory. You may take the stand that it is unwise to tamper with the regulation of the machine, but I wish to say that this is an absolutely necessary thing on this side, due to the fact that so many different types of records are made, and nearly all of them are made with somewhat different speeds.

For your information I would say that there are eight different concerns besides ourselves, who are selling similar records, and there is more or less demand for all of these types.

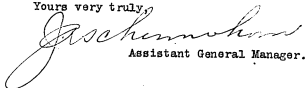
This is very important, and I would be very glad to have you give it your immediate personal attention.

We had a very pleasant trip over, and it is a pleasure to write you that the babies, Mrs. Schermerhorn and myself reached London none the worse for the voyage.

With kind regards

I remain,

Yours very truly,

A handwritten signature in cursive script, appearing to read "Jascherhorn".

Assistant General Manager.

J.R.S./L.D.

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 8080, HOLBORN.

TRADE
Thomas A. Edison
MARK

Patent - *Marking*
Cable Codes Used: A.L., A.R.C., COMMERCIAL,
LIREN'S AND HUNTING'S.

**Thomas A.
EDISON'S**

Phonographs,
Gold Mounted
Records,
Projecting
Microscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Dates and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS
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**NATIONAL PHONOGRAPH CO. Ltd.
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25, Clerkenwell Road,

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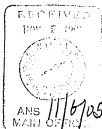
FACTORIES:
Orange, N.J.
U.S.A.

Berlin.
Paris.
Brussels.

IN REPLYING REFER TO COMPANY KEY
THE NUMBERS AND WHEN THESE INITIALS

W. E. Gilmore

24th October, 1905.



W. E. Gilmore, Esq.,
Orange, New Jersey, U.S.A.

Dear Sir,

Mr. Marks showed me a copy of letter which he wrote you having reference to the first Board Meeting and also his interviews, after arrival here.

So far as the points mentioned therein refer to me, they are a statement of facts, and there is nothing that I can add thereto.

As he wrote you we held a Board Meeting, at which meeting the Minutes of the meeting held in America were ratified, and I was elected Chairman of the Board of Directors, which is the title I shall do business under here.

Mr. White retained his position as Managing Director, but I have made it plain that he will devote his time to the selling of our apparatus and that I would look after the general details of the office, thereby relieving him of some of the responsibilities that he has heretofore had. Of course this means that he can give more time to selling, and I hope satisfactory results will be attained.

I really believe that Mr. White is pleased with my being here, and I feel satisfied that I will have his co-operation in every respect. He has shewn the desire to talk many things over with me, and I can see from day to day that he is bringing up more and more things which heretofore he has acted upon individually, such being the fact I believe we can plan out things in such a way as to bring about a general improvement.

N. P. Co., Ltd.

At the Board Meeting above mentioned, we all talked very plainly and frankly, and I did not hesitate to criticise past occurrences which apparently were not especially beneficial.

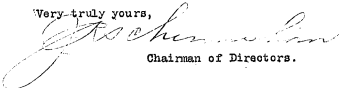
We also told of the reports that had been rendered to America regarding the rumours that had been current with respect to the Sterling situation. I am sure those rumours were not true because of the way in which the information was received, and I hastened to explain at that time that the stories were not credited. It certainly, however, was a very good lesson, and I believe that more discretion will be exercised in the future.

I am also pleased to write that I am receiving the co-operation from all the other employes, and feel that such co-operation will continue. We have a good force here and they are all desirous of improving matters all round, and insomuch as I purpose giving the different heads a little more leeway and make them feel they must assume their share of responsibility a further interest will follow.

All the above facts naturally encourage me considerably, and I can take hold of things with a much better heart than seemed to be the prospect when I left home.

I have not written Mr. Edison on any of these subjects, although when I have some real good news it is my intention to write him direct as well as yourself. Naturally you will bring such matters to his attention as he should know, and at the moment I have no desire to multiply the work.

Very truly yours,



Chairman of Directors.

J.R.S./L.D.

[FROM FRANK L. DYER]

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

C O P Y .

W-P

October 27, 1905.

G

W. W. Wyper, Esq.,
National Phonograph Company,
Sydney, N. S. W.,
Australia.

Dear Sir:-

After discussing the Australian matters recently with Mr. Gilmore, we concluded that it would be better to organize a local company for Australia, to which the National Company here would sell or consign its goods, the management to be placed in your hands, and in view of this change in our plans I am not sending you the power of attorney which I had prepared. You should consult Messrs. Piggot & Stinson at once in reference to the organization of the company, and have them proceed without delay.

Our idea is to have them organize a limited liability corporation of small capital, and issue sufficient stock to yourself and such other persons as you and they may agree upon, if it is necessary to have more than one resident stockholder and director. The balance of the stock should be issued to this company in payment of the goods shipped to you. The stock issued to you and other persons should be paid for in cash out of the remittance of \$5,000 which Mr. Stevens sent you, or other funds in your possession, and all this stock should be

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

Mr. W. Wyper, #2.

endorsed in blank and forwarded with the stock issued to the National Co. Of course it is not important what specific amount of stock is issued for cash, any amount will do. I merely suggest this amount to illustrate the plan.

The total capitalization of the company need not be more than, say, \$5000, divided into as many shares and of such par value as may be agreed upon between yourself and our attorneys. Of this total capitalization I would suggest that about \$4000 be paid for in our goods, and the balance paid for with the cash sent you; and the goods so turned over should, preferably, be made up of complete outfits to the extent of \$4000, and the remaining outfits, records, etc., in the shipments to you, to be sold to the new company and proper charge entered on the books of your company. The figure at which you turn the goods over to the new company in payment for stock, should be governed by the prices at which they are invoiced through the custom house. The other goods included in the shipment, that is goods manufactured by the Edison Mfg. Co. and the Bates Mfg. Co., should not be included in the stock transaction, and should be made a separate transaction in the form of a purchase by the new company from these two concerns. This new company will thus correspond to our English company, which is known as the National Phonograph Company, Limited, and is in charge of a managing director, and our local counsel there is also a director. We have similar local companies on the Continent.

The name of your local company should be similar to our name, but should bring in the designation "Australia", and I

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

Mr. W. Wyper, #3.

therefore suggest the following name: "National Phonograph Company of Australia, Limited".

Your local company will operate under our patents and trade marks in Australia under a license granted by this company to your local company, and Messrs. Pigot & Stinson should prepare a proper license. Three patents were applied for December 6, 1904. The trade mark, as you know, is on the name "Thomas A. Edison", which has been registered in the Australian Colonies, but not in Tasmania. When the Jobbers' and dealers' agreement is finally revised, you should substitute the local company for this company.

Cable us if any further information or instructions are desired.

Yours very truly,

National Phonograph Company,

JWB

Legal Department.

P.S.: The patents were applied for in the name of the company, but up to present advices have not yet been granted.

Oct. 27, 1905.

J. R. Schermerhorn, Esq., Asst. Gen. Mgr.,
National Phonograph Co., Ltd.,
London, England.

My dear John:

I am enclosing you herewith carbon copy of a letter I have this day addressed to Mr. G. Croydon Marks in answer to his letter of Oct. 18th, which I, of course, send for your information. I have expressly sent this to you care of Mr. Marks and asked him to telephone you to drop into his office and hand it to you personally, so that it will not "miscarry" in any way.

My letter to Mr. Marks covers the situation fully, and I assume, of course, that you have seen his letter to me of Oct. 18th; if not, do not hesitate to ask him to show it to you. I know you must be familiar with its contents at any rate.

In continuation of my letter to Mr. Marks, I want to say that White's position is not only inimical, but dangerous to us. Mr. Edison is very angry indeed at the statements made by him to the effect that he had a five year agreement. You know perfectly well that I never made any such agreement, and I know positively that Mr. Edison would not have made any such agreement. When it comes to making an agreement I am going to get the first one that is issued. I was refused any kind of agreement when I came with Mr. Edison in 1894. Others have tried to get agreements, but they have failed, and you know perfectly well

2: 10/27/05.

J. R. Schermerhorn.

that I was the one to in every case object to any agreement. How Mr. White could have the effrontery to say that he had an agreement of this kind I cannot understand. It has materially lowered him in my estimation, and if you had been present at my interview this morning after Mr. Edison had read over Mr. Marks' letter you would have been thunder-struck at the statements that he made; "fireworks" does not define it in any sense of the word. He is absolutely positive now that you must dispense with White's services just as soon as you can. It would seem to me that you could so frame up matters as to make him hand in his resignation, and this is what you want to try to do. At any rate his services must be dispensed with by December 31st. I am positive that you are going to find out a great deal more as time progresses, and the sooner you do dispense with his services the better it will be for all concerned. Of course I do not want to handicap you, but personally I do not think that getting rid of him will handicap him to any great extent, and the sooner we get on a man whom we can trust and have every faith in the better it will be.

Of course I have not heard from you as to any of these matters, this letter from Mr. Marks being the first that I have received on the subject. I naturally assume that I will hear from you very shortly, but as I want to catch the mail leaving tomorrow I thought best to write Mr. Marks and you fully so that you will understand our position and be governed accordingly.

With kind regards to your good self, I am,

Yours very truly,

WRS/INW
Enc

President.

(Private)

Oct. 27, 1905.

G. Croydon Marks, Esq.,
London, England.

My dear Mr. Marks:

I received yesterday your very full and complete letter of October 18th, having reference to the first meeting held at Clerkenwell Road at which Mr. Schermerhorn was present and wherein the policy to hereafter be pursued was very strongly outlined.

As Mr. Edison was away yesterday I was unable to get at him until this morning, when I presented your letter to him, and he was very much exercised indeed at the position assumed by Mr. White, as any statement made by that gentleman, that he has a contract with Mr. Edison or any of the interests which I represent, is absolutely unfounded. I therefore cabled you this morning as follows:

"Letter 18th. White has no contract, directly or indirectly, with Edison or any of our companies. Edison and I firmly convinced position taken by him necessitates resignation whenever Schermerhorn and yourself decide he can be dispensed with, but not later than December 31st."

Mr. White seems to have gotten on the wrong track again, and, as you will know and as Mr. Schermerhorn well knows, he never had any contract whatever, directly or indirectly, either with Mr. Edison or any of our companies. The only understanding was that he was to receive a salary of \$5,000.00 per annum and after the fiscal year closing if there were any profits he was to receive such a proportion of said profits as might in the opinion of ourselves be determined upon. He contended to me that this was to be 10%, but it was absolutely refuted by Mr. Edison, and he was even paid a greater amount than 10% on the first year's business done, but the amount was simply determined upon by Mr. Edison himself without reference to any percentage whatever. You and Mr. Schermerhorn were acquainted with these facts when we had the meeting at the Laboratory, and there is nothing further to be said on this subject.

The fact that he has approached you indirectly to ascertain why Mr. Schermerhorn went over is sufficient evidence to our minds that there is something wrong with him, that he is suspicious as to what we have done and dare not come out in the open. From certain figures and facts with which we are both familiar, there is no doubt that there is something going on there that is not as it should be, and that this something is inimical to our interests. Feeling this way--and I am speaking for Mr. Edison as well, we are convinced that a change should be made there at once; or, as indicated in my cable, Mr. White's ser-

10/27/05.

G. Croydon Marks.

voices should be dispensed with not later than December 31st, 1905.

As to any personal matter that he may have with Mr. Edison, I desire to say most strongly--and Mr. Edison also desires to confirm it most strongly--that there was never any personal arrangement between Mr. Edison and Mr. White whatsoever. If there had been any such arrangement I most assuredly would have known of it, as I was present at any and all interviews that took place prior to Mr. White's taking up the foreign end of our business. His talk, as to having witnesses to this verbal agreement, is all bluff, and whereas I desired to close matters with him in a friendly way, paying him such amount as we would consider most equitable, I desire to say now that it is not our intention to give him anything more than what we consider is ample pay for the services that he has rendered us, not only for the past fiscal year, but for the present fiscal year as well. In other words, I shall treat him as if he was a discharged employee, compensating him as such only. The fact that he would even attempt to make any such statement to you as that contained in your letter is the most convincing evidence that he is unscrupulous and would not for one minute consider past relations or benefits that have accrued to him, but that on the other hand he would endeavor to do what he could to disorganize the business which has been so well established abroad. It is therefore the desire of Mr. Edison and myself that he be treated justly but that no favors be shown whatsoever.

It is also our desire that Mr. Schermerhorn shall take immediate charge of all of the affairs abroad, not only of the National Phonograph Co., Ltd., but also all over Europe, and if a letter to this effect is necessary I presume we can arrange to issue this forthwith.

It would seem to me essential that all checks should be most carefully scrutinized from now on and that the signing of such checks on the part of Mr. White should be eliminated just as soon as possible, and in fact, the authority that he has heretofore had should be cancelled so that he cannot in any way entail any expenses of any kind or do other things that would be detrimental to any of our vast interests.

Regarding the circular to factors showing the extra allowance on records, the position that you assumed, of having Mr. Schermerhorn sign such circular as Chairman, was entirely correct and meets with our entire approval, as of course it makes Mr. Schermerhorn's entree in a good cause for the factors and introduces him much quicker than could be done otherwise except by personal introduction.

The position that you have assumed so far as the extra remuneration to Mr. White is concerned is fully endorsed by us, as this payment when made was made directly by Mr. Edison and had nothing to do with the companies whatever.

Rest assured that should any personal letter from Mr. White to Mr. Edison be received at this end of the line same will not be answered by Mr. Edison or any of his people, nor will it be answered by me, except through you, as in view of Mr. White's position it is not my intention to commit myself in any way or to any extent that would place us liable to a suit, and any communication will therefore be referred to you with such suggestions as we may have to make in connection with same.

3. 10/27/05.

G. Croydon Marks.

So far as the business policy of the interests abroad is concerned, as you already know, this is left entirely with Mr. Schermerhorn and yourself to decide, and where it is necessary to receive instructions from this end or any doubtful question arises on which you would prefer to have our decision, that matter can be taken up by Mr. Schermerhorn and yourself with me.

Relative to his connection with the Stirling Co., I do not think it necessary to allude to this any further, as our opinion on this matter has not changed one iota since you left us, and from the information we have received we are satisfied that if he was not interested in other concerns he was too much interested in the business of other concerns, whereas he should have devoted his time and attention to the interests from which he received large emoluments, and not associate with our competitors. It is perfectly natural that he should have denied all connection with it, but nevertheless, it does not alter our opinion.

We are extremely glad that all these matters were taken up so soon after your return, as there is no question in the minds of Mr. Edison and myself that it has cleared the atmosphere materially, and Mr. Schermerhorn's position will not be so irksome and he will be better able to take up and decide the policy to be pursued as to the different selling ends as well as in the manufacturing ends.

Mr. Edison and myself desire to thank you for the very full and complete communication that you have sent us, which is, of course, most interesting, and to assure you that lengthy communications relative to our business there are always received and read with great interest.

Yours very truly,

WAG/IWW

President.

P. S.

Kindly indicate to your stenographer that when these private and confidential letters are forwarded he, or she, should also see that the envelope is so marked. The letter was opened, luckily, by my Secretary, Mr. Walker, but he has not even seen it, having brought it immediately to me personally.

N. B.

I am enclosing a personal letter on the subject on which I have written you addressed to Mr. Schermerhorn, which I would thank you to hand to him personally at the first favorable opportunity. I would suggest that you send word for him to drop in to see you, but do not send the letter over to him, as I want it to get into his hands direct.

Enc-

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A. Edison
MARK

Cable Codes Used: A.L., A.R.C., COMMERCIAL,
LIEBEN'S AND HENTING'S.

Phon. - Sales

**Thomas A.
EDISON'S**

Photographs,
Casts Moulded
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS

OF THE

NATIONAL PHONOGRAPH GO. Ltd.
EDISON MANUFACTURING GO. Ltd.

25, Clerkenwell Road,

London, E.C.

FACTORIES:

Orange, N.J.
U.S.A.
+
Berlin.
+
Paris.
+
Brussels.

IN REPLYING REFER TO THE COMPANY AND
THE ORIGINAL AND SERVICE THESE DETAILS.

6th November, 1905

NOV 10 1905
RECEIVED
AND
MAIN OFFICE

W. E. Gilmore, Esq.,
Orange, New Jersey, U.S.A.

Dear Sir,

I enclose you herewith statement showing comparative sales - *to 3000*
for the years 1904 and 1905, from January 1st to October 31st
inclusive.

You will notice that the sales of "Homes" for the year 1905
represents a decrease of 424; "Standards" an increase of 178;
"Gems" an increase of 209; records, a decrease of 693,226;
Sales, a decrease of £28,848.15.0.

From such observations as I have been able to make, from
this office, and by conferring with several of the largest factors,
I conclude the reasons for this decrease are particularly as follows :-

During the winter of 1903 and 1904, there were large orders
for records placed with the factory at Orange, which were not
filled properly due to reasons well understood by both you and I,
that is, the unusually large amount of business which we had at
that time, and inadequate facilities to take care of the demand.
In consequence of this many of the orders which were placed by
factors in England late in 1903, were not shipped from Orange until
February, March, and even so late as April 1904.

One instance in particular that is now up for discussion re-
presents an aggregate of 50,000 records that were shipped to Murdoch
and which he accepted, but only after considerable correspondence
and after making certain concessions.

Consequently the factors were compelled to carry over during

N. P. Co., Ltd.

.the summer months of 1904 a very large stock of records.

In the Fall of 1904 the Edison-Bell people introduced their new moulded record, and inasmuch as it was a considerable improvement over their previous product, and also was sold at the popular 1/- price, the factors as a whole laid in a considerable stock of these records. This militated to a certain extent against the sales of Edison records last Winter as you will notice by comparing the shipments of 1904 as against those of 1905.

You, of course, will bring up the question as to why this surplus stock was not returned to us on the exchange basis, and I wish to say that I brought this very point up with some of the factors and in detail with Murdoch. The statement was that if they returned all the stock which appeared to be unaleable, the number of records that they would be compelled to order on the 3 to 1 basis would aggregate such a large quantity as to place them in even a worse condition than then existed; hence, they returned to us only such stock as they considered absolutely dead.

Again in many instances the time in which factors were to take records on the 3 to 1 exchange basis was extended indefinitely. As a matter of fact on the 1st of October there were 46,000 records which had been returned to us that had not yet been cleaned up under this arrangement. This quantity was reduced last month to about 12,000, leaving about 34,000 yet to be adjusted.

In the early part of this present summer the Sterling record (which is sold at 1/-) was put on the market, and this, in addition to the other 1/- records on the market, seemed to cause the factors to continue to order very cautiously, all desiring to decrease their stock of Edison records.

One of the principal causes, however, for the falling-off in sales, to my way of thinking, is the fact that we have depended almost entirely upon the factors to create and increase the demand for our records. The factors, as a whole, have pursued very much the same practice, that is, they have advertised in trade papers, and have then waited for the dealers to come and get our records. A few of them, of course, have travellers on the road, but they do not push our material on lines that seem to me to be necessary. For instance, it has been the practice to send sample records to the factors and give them their own time to put in the orders, but the factors, on the other hand, have not taken the samples, shown them to the dealers and received advance orders, except possibly in a few isolated cases.

The total number of records which were returned to us on the exchange basis aggregated about 246,000 as I have previously written you, and from one viewpoint we might take the stand that inasmuch as these records were all shipped prior to the present fiscal year it is unjust to make this particular year bear all the credits, thereby, of course, affecting the sales to that extent.

N. P. Co., Ltd.

Of course I understand, and so will you, that it could not be handled in any other manner, but still if that had not been done of course the sales would have been increased to the amount of 201,000 records, which was the number that had been credited up to and including November 1st.

In addition to this in the month of October a credit was rendered on account of the Phonograph Supply Company for an aggregate of about 26,000 records, thus making a total of 227,000 records approximately that this year has borne. On the other hand, however, if the terms of the return arrangement had been lived up to absolutely there is no question whatever but that the record sales would not have been so seriously affected, in view of the fact that we would have received orders immediately for something like 750,000 records.

The above is simply sent along in the way of explanation.

The sales of machines are on the whole satisfactory. While there is a slight decrease in the "Homes" there is an increase in "Standard" and "Gems", and I do not believe that the decrease in the sale of "Homes" can be directly attributable to this office. Without doubt it is a matter of price and lack of energy on the part of the dealers to increase the sales of this particular type of machine.

I have not included in this statement "Concert" machines, "Triumph" records, and so forth, because the sales are comparatively limited, and do not enter vitally into the situation.

As stated above, however, I believe the principal cause of the falling-off in business is due to lack of properly handling the business from this office. It is my firm belief that in order to increase our business it is necessary to have the small dealers become thoroughly interested, induce them to carry a sufficient stock to meet demands, and to make them understand that there is more money in handling the Edison record and also that it will prove more satisfactory, in that they will have less complaints from purchasers.

I further believe that this can be accomplished only by having a force of salesmen who can cover the territory periodically, who will be supplied with the samples of the newest selection at the same time they are supplied to factors; and who will show these samples to the dealers and impress upon them that if they do not get a stock they of course cannot sell the goods.

The records in this office indicate that there is a total of about 8000 dealers on our books. I am very well satisfied in my own mind that this list is very decidedly wrong. Without a doubt there are many people who have signed as dealers but are not doing business, or if they are doing business it is in but a small way.

As an object lesson, however, which I have brought up to

N. P. Co., Ltd.

our people here, assuming that we have 8000 people on our list and even if one-half of them are interested in our product, we should sell an average of at least one record each from the new lists which are issued periodically. As a matter of fact, however, we are not doing anything like this.

I am enclosing statements of advance orders received at this office for the October American list and the November British list, and I wish to say that the aggregation on these two lists is larger than has been the case for some months past. This, of course, is due to the fact, however, that the busy season is coming on.

After giving the matter considerable thought I decided to increase our force of salesmen. We now have four in our employ, and if they can show results I shall doubtless increase the number.

It is also my intention to personally take this situation up with our various factors, and state to them that if they will pursue a like policy we believe it will largely increase their business, and if the factors who are at present on the list do not look at it in this light, I am going to make a try to get factors that will push our business. I realize, however, that I may be going against long established customs, and that I may not be able to accomplish this result, but I do believe that a very material increase in the business can be effected by our own salesmen.

I have arranged here to see that a proper record is kept of the doings of these different salesmen, and of course if they are not satisfactory and cannot produce the desired results we will get others.

The matter of advertising, of course, is a serious proposition and is something that I have not as yet been able to come to a decision on. We are using magazines, but I do not believe the masses of this country read magazines.

Newspaper advertising is, of course, very expensive, and I do not think it is of much use unless you can have space frequently.

The hangers, posters, and so forth which have been issued by this office, have as a rule been sent through the factors. It, therefore, occurs to me that many of our dealers are not regularly and properly supplied.

Monthly bulletins have not been issued for English-made selections. I have started that inasmuch as I believe it is good advertising, and in order to secure the various dealers getting copies of these bulletins, supplemental lists, and so forth, I am having them mailed direct from this office. Heretofore they have depended upon the factors to distribute this matter.

Of course this last practice will continue with respect to

N. P. Co., Ltd.

catalogues until such time that I can learn the factors are not taking proper care of their dealers.

In view of the fact that we have such a large number of dealers, the expense of this circularising is great, hence in order to have our records comprise only active dealers I have instructed that our salesmen make a report on a printed blank that will give us full information, of each and every dealer that now appears on our records. All such as are not satisfactory will be eliminated from the lists, and of course will not receive printed matter. Those that are active and pushing we will keep after constantly.

I neglected to say above that another reason for the falling-off in the sales of records is doubtless due to the uncertainty as to when advance lists would be prepared and the records placed on the market. I have taken steps that I believe will entirely overcome this. As a matter of fact Mr. Riehl has now given us information indicating that hereafter we can expect shipments of the advance lists so as to get them in the hands of the factors not later than the first of the month, and it is my intention to anticipate this by a week or more unless the orders very materially increase. If we get these out at stipulated dates such as is done in America I believe we can educate our dealers up to the point of waiting for our selections.

Commenting further on the comparison of sales and particularly the record sales for the month of October 1905 as compared with October 1904, you will please note that a credit covering about 26,000 records was rendered to the Phonograph Supply Company during this month and also a credit to Richardsons for 28,197, making a total of about 54,000 records, thus seriously affecting the net sales for October.

Very truly yours,

J. Schinnerman
Chairman of Directors.

J.R.S./L.D.

Richardson was given extension of time to take 3 for one & credit was not rendered until transaction was completed

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 8080, HOLBORN.

TRADE
Thomas A Edison
MARK

Cable Codes Used: A. I., A. B. C., COMMERCIAL,
LIEBER'S AND HUNTING'S.

**Thomas A.
EDISON'S**

Phonographs,
Gold Moulded
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

EUROPEAN HEADQUARTERS

OF THE

NATIONAL PHONOGRAPH CO. Ltd.

EDISON MANUFACTURING CO. Ltd.

25, Clerkenwell Road,

London, E.C.

FACTORIES:

Orange, N.J.

U.S.A.

+ Berlin

+ Paris

+ Brussels

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL, AND MENTION THESE DETAILS.



November 7th, 1905.

W. H. Gilmore Esq., President,
National Phonograph Co.,
Orange, New Jersey,

My dear Mr. Gilmore,

Inasmuch as I have not had an opportunity of going to America since the closing of our fiscal year February 28th, 1905, I find it necessary to write to you regarding my personal commission on European business for our fiscal year last past. I have put this matter off inasmuch as I had expected that possibly circumstances would demand my visiting Orange last summer, and I had hoped to take the matter up with you verbally.

If you will refer to my letter of September 9th, 1904 and your good letter of October 4th, 1904, you will find that in accordance with a verbal arrangement entered into between Mr. Edison, yourself and the writer, you allowed me a commission of \$4,400. on the profits of the European business for the fiscal year closing February 28th, 1904. The net profits for that year according to private balance sheet which I have before me, were \$ 39,000. Therefore commission allowed on profits to me was just over 10%.

I have a copy of our balance sheet for the year ending February 28th, 1905, which was made up for my private information,

N. P. Co., Ltd.

W. E. Gilmore Esq.

-2-

showing our net profits to be L 11,248.0.5 or roughly figuring in American money \$56,240. Taking into consideration therefore the amount allowed me on business of 1904, I assume that there will be due to me approximately \$5,000 on the profits of 1905. I should be very thankful therefore if you would have a bill rendered to this Company for experimental work, which as you will doubtless recall, was in the manner in which this matter was treated last year, the amount of your bill last year being \$ 4,400 or L 916.13.4 in English currency.

I am indebted to this Company to some extent on account of monies drawn during the past year for expenses, which indebtedness I would like to liquidate at the same time this commission matter is settled.

Trusting you will attend to this matter for me as early as convenient and thanking you in advance for the trouble which it is necessary for you to be put to, with very kind personal regards, I am

Yours most sincerely,

J. W. White
Managing Director.

JHW/PAW.

Mr. Edison:

I attach letter from Mr. Schermhorn. This is simply *Record - Many*
following out the arrangement offered by the Edison-Bell Co.

I do not feel that we ought to follow suit at the present time,
but I think what we ought to do is to let the trade know that we intend
to make the exchange proposition later on, that we have always intended
to do so and that, therefore, there is no necessity of issuing circular
letters of this kind to that effect. What do you think of it?

11/22/05.

W. E. G.



✓
I think we should
intimate indirectly to our customers that
after the season is over we will help them out
on their insulator stock.

8

[ENCLOSURE]

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison
MARK

Cable Codes Used: A.L., A.R.C., COMMERCIAL,
LEEDER'S AND HUNTING'S.

**Thomas A.
EDISON'S**

Phonographs,
Gold Mounted
Records,
Projecting
Microscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Hoxes and Edison Automatic Hand
Numbering Machines.

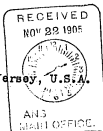
EUROPEAN HEADQUARTERS
OF THE

**NATIONAL PHONOGRAPH GO. Ltd.
EDISON MANUFACTURING GO. Ltd.**

25, Clerkenwell Road,
London, E.C.

FACTORIES:
Orange, N.J.
U.S.A.
Berlin.
Paris.
Brussels.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE DETAILS.



14th November, 1905.

W. E. Gilmore, Esq.,
Orange, New Jersey, U.S.A.

Dear Sir,

I enclose you herewith a circular letter which has been issued by the Columbia Phonograph Company General and which does not need any explanation from me.

You will remember that I sent you one issued by the Edison-Bell people and their circular apparently brought forth this one.

This is one of the new propositions that we are up against. How does it strike you?

Very truly yours,

J. Roschenbaum
Chairman of Directors.

J.R.S./L.D.

[ENCLOSURE]

November, 1905.

Got any Broken or Unsaleable Ones?

Don't keep 'em! Sell 'em to us!

~~~~~  
WE'LL BUY ALL YOU HAVE  
AND PAY FULL PRICE IF THEY'RE "COLUMBIA."  
~~~~~

The experiment announced in our circular of February 22nd, 1905, was of such assistance to our customers, and so satisfactory to ourselves, that we have decided to continue the plan.

Until further notice, Columbia XP Records, Broken or Whole, which factors and dealers desire to exchange, for any cause, may be returned and full credit obtained for them, on the following conditions:—

1st. Records for exchange must be delivered at our warehouse, 89, Great Eastern Street, London, E.C., All Charges Prepaid, between the First and Tenth of Each Month, accompanied with invoice stating the quantity returned.

2nd. Returned Records (whether broken or whole), must be in their original boxes bearing our well-known label.

3rd. For each Record exchanged, two new XP Records must be purchased. If 100 Records are sent in for credit, an order for 300 Records must be given—100 in exchange, and 200 as an additional purchase.

4th. The order for new Records must be placed at the time the Records are returned: the credit cannot be applied to Previous Purchases.

5th. Each case or package must be plainly marked with sender's name and address.

6th. No claims for breakages or other allowances, on account of Records, will be entertained except upon the above terms.

YOU NEEDN'T WAIT UNTIL NEXT YEAR. DO IT NOW!

Get the benefit monthly during the season. It's more valuable then and keeps your stock fresh.

NO RISK IN STOCKING COLUMBIA RECORDS.

WE CLEAN YOUR STOCK MONTHLY AT OUR EXPENSE.

Dealers must make their returns through the factor with whom they are dealing. Only Genuine Columbia XP Records will be accepted under this arrangement. Where desired, arrangements can be made for the forwarding of returned Records direct to our factory at Wandsworth.

Disregard or negligence of any of the foregoing Conditions will lead to confusion and possible loss. We will not be responsible for Records delivered to us under other conditions.

Dealers may, at their discretion, extend similar exchange privileges to retail purchasers during the period indicated.

Returns and orders will be dealt with in the order in which they are received.

COLUMBIA PHONOGRAPH COMPANY, Gen'l.,

89, Great Eastern Street, London, E.C.

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison
MARK

Cable Codes Used: A.L., A.B.C., COMMERCIAL,
LIEBEN'S AND HERTZING'S.

Phon. - Manuf.

**Thomas A.
EDISON'S**

Photographs,
Cinet Mounted
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
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EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH GO. Ltd.
EDISON MANUFACTURING GO. Ltd.
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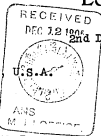
FACTORIES:

Orange, N.J.
U.S.A.

Berlin.
+
Paris.
+
Brussels.

IN REPPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL, AND MENTION THESE DETAILS

W. E. Gilmore, Esq.,
Orange, New Jersey



Dear Sir,

Under date of October 9th I wrote a long letter to Mr. Weber on the general subject of the trouble we are having here because of the cabinet frames of "Standard" machines breaking.

A copy of this letter was sent to you and I regret to say that up to this writing I have had no acknowledgment whatsoever of the receipt of this letter.

The condition over here is very serious, in some instances the breakages will average 25 per cent. This morning a dealer called on me and stated that out of 12 machines which he received a day or two since, 4 of them arrived with the frames broken.

The complaint too is general all over England, although I do not imagine that such percentage arrives defective.

Under date of October 24th we sent an order for 50 new style "Standard" cabinet frames, latest colour. Up to this writing we have had no advices of shipment of this material and I, therefore, to-day requested that shipment be made at once by cable as

N. P. Co., Ltd.

under :-

"Hurry shipment of Standard Cabinet Frames Requisition 2897
"Increase order to 150 Serious SCHERMERHORN"

We and our factors between us have innumerable machines which arrived so damaged as to make it impossible to repair them. The dealers are even taking the expedient of glueing the broken frames. There is no question whatsoever but that this is a bad practice insomuch as without doubt they will again come apart and the owners will feel they have been imposed upon, all of which will reflect to our discredit.

I trust shipment will have been made immediately upon receipt of my cable, provided the parts have not already been forwarded.

There is no question but that something must be done to strengthen this part of the "Standard" machine, and likewise other types, although the complaints are not so numerous, this being due probably to the fact that we sell a less number of machines.

I also feel that when communications of such importance as mine of the 9th October are mailed some sort of a reply should be made. I certainly cannot very intelligently look after the interests of the business here unless I am kept posted as to what can be or is to be done, and I must ask that in all justice full information be supplied me. There are enough things right here in the place to worry me and to take up my time.

While on this subject I also wish to say that the "Standard" machines are reaching us very badly assembled, many of them will not work until they have been re-adjusted.

One grave fault is that the pinion on the mandril shaft is not firmly fastened to the shaft, the trouble is the set-screw is not

N. P. Co., Ltd.

properly set up. This being so this particular pinion will shift and the head of the set-screw strikes the bearing rod.

I fear that now you are rushed over these machines are being hurried through without being properly inspected. I, of course, appreciate that this is liable to happen, but the percentage is entirely too great. For instance, the dealer who came in this morning stated that he had to re-adjust each of the 12 machines above mentioned. He is a man who has been in the business for a long while and is very familiar with the phonograph, and I believe he was making only a statement of fact.

It might be well to say that when I write on matters of this kind I personally go into the matter, and my knowledge of the construction of the machines is sufficient to enable me to criticise intelligently, and my criticisms are not based upon theories.

In conclusion I will only say that I think this is a matter that is worthy of immediate attention.

While you may not have the same difficulties in America I am satisfied that you will have the same trouble when machines are exported, irrespective as to whether they come here or to other export territory.

As I stated in the first place to Mr. Weber a large percentage of damages on shipments to this country was doubtless caused by the fact that the machines are handled very roughly by the different transportation Lines.

It is rather difficult to say how you can overcome this, inasmuch as there is a limit as to how heavy the frame can be made. It occurs to me that possibly a sheet iron punching placed underneath might accomplish the purpose, provided it would not be too

N. P. Co., Ltd.

expensive and could be handled satisfactorily from a manufacturing standpoint. In that event instead of using ordinary weight screws to attach the machine proper to the frame a bolt could be used.

Very truly yours,

J. P. Schimmon *ap. L. J.*
Chairman of Directors,

J.R.S./L.D.

[ATTACHMENT]

SHEET No. DATE

NATIONAL PHONOGRAPH CO.

21-
Dec. 14, 1905.

Mr. W. E. Gilmore:-

In reference to the attached the only thing I can say is that when we first started out with the new cabinets we had a great deal of trouble with some of the frames. As I explained to you verbally we had a shipment of two or three barrels of bad glue and nearly a whole barrel was used up before we got on to it. No change has been made in the construction of the Std cabinet. The only change from the old is that the lower casing is about 5/8" higher. I am sure that no trouble will be experienced with the cabinets that are shipped out now or that have been shipped for some little time past but if the percentage in the breakage of cabinets should continue to be unusually large I shall take the additional precaution of putting rubber strips on the under side of the tops to bear down on the top plate, the same as we have arranged recently for the Home Machine. I do not believe that it is necessary for the reason that the top part of the Std machine is so much lighter than the Home body.

Regarding the Std cabinet which came here from the Foreign Dept. and which I presume was returned by Mr. Schermerhorn, all indications are that the frame of this cabinet was broken forcibly. I have given this matter special attention but have been unable to break these frames unless I apply enormous force to the end by trying to push the machine down without pushing the supporting lever from the pin and there is no doubt but that there are a great many persons who are not familiar with the machine and when unpacking them try to force the machine down in its place without unlocking the supporting lever. In raising up the lid the supporting lever drops in place automatically and they may take it for granted that it should close automatically.

[ATTACHMENT]

SHEET No.

DATE

NATIONAL PHONOGRAPH CO.

On the subject that Std machines are arriving badly assembled so that they will not work until they have been re-adjusted, I only can say that we are taking every possible precaution to have the machines properly assembled and adjusted but as pointed out to you this morning in regard to one of the machines that had made the journey from San Francisco and return I found the idler pulley dry on its pin and after putting on a drop of oil the machine worked perfectly and the second machine worked perfectly after I took the packing strip from under the spring barrel. In a great many cases we have found on investigating a complaint of this nature that it merely required a little oil in the proper place to make the machine operate, but instead attempts have been made to re-adjust the parts with the result that it was put out of adjustment and then of course the claim has been made that it was necessary to re-adjust the machine before it could be made to operate.

The other point that Mr. Schermerhorn calls attention to, that the pinion on the mandrel shaft is not firmly fastened to the shaft, this is the first complaint of this kind that has come to my notice. Of course if the pinion is loose it is simply carelessness on the part of the assembler and inspector who have overlooked this, or rather failed to set it up properly. I have taken all of these points up again and in fact a number of other points with the assemblers and inspectors and I feel that things will go along good.

I believe Mr. Hird made shipment of the frames on requisition No. 2897. At any rate I told him yesterday that we would have to spare them.

P. Weber

Record - Many

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 6080, HOLBORN.



Cable Codes Used: A.L., A.B.C., COMMERCIAL,
LIEBER'S AND HUNTING'S.

Thomas A. EDISON'S

EUROPEAN HEADQUARTERS
OF THE

FACTORIES:

Photographs,
Gold Mounted
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Motors,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.

Orange, N.J.
U.S.A.
+
Berlin.
+
Paris.
+
Brussels.

25, Clerkenwell Road,
London, E.C.

IN REPLYING ADDRESS THE COMPANY NOT
THE ADDRESS, AND SPECIFY TRADE OUTLET.

PERSONAL.

8th December, 1905.

W. E. Gilmore, Esq.
Orange, New Jersey, U.S.A.

Handwritten signature: W. E. Gilmore

My dear Ed:

I have your letter of November 27th in reply to mine of the 6th having reference to the sales of the years 1904 and 1905, January 1st to October 31st inclusive.

I am very glad that the report and the explanation thereof seems to have made the situation clear to you.

The Phonograph Supply Company was closed up as of September 14th, 1905, or in other words, prior to my having arrived here. Practically all their stock, fixtures and so forth, were sent to this office, and various credits have been rendered to that Company for such materials. Some of the materials will have to be charged for to the National Phonograph Company because of the fact that it was used in fitting up the new recording rooms.

When I say closed up I mean that the employes were all discharges and the thing cleaned up as far as was possible.

In connection with this, however, I have before me the books and it seems that on or about June 3rd the business was transferred from Oxford Street to Stonecutter Street and among the expense items there is charged up as follows :-

| | |
|--|------------|
| Fitting up of this new Store, fitting up furniture and so forth | £162.15. 1 |
| Rents, rates and taxes | 66. 8. 9 |
| Wages and Salaries | 91. 5. 0 |
| (June 3rd to September 14th) | |

N. P. Co., Ltd.

| | |
|-------------------------------|----------|
| Office Expenses | £6.12.11 |
| Insurance | 4. 6. 5 |
| Advertising | 4. 4. 6 |
| Stationery and Printing | 5.18. 3 |
| Trade Expenses | 2.18. 6 |
| Commission | 4. 9.10 |

In addition to which there is also an item of £93.16.6 charged up against the Stonecutter establishment for "Expenses in formation of Company". I understand that they endeavoured to form a stock Company to take over this concern and getting up the necessary papers, charters, and so forth cost them the above amount.

I, of course, have not before me any correspondence that took place between Mr. White and yourself regarding this establishment although it is my recollection that you wrote him and cabled him long ago to close the place up; in fact before it was removed from Oxford Street to Stonecutter Street.

Buehler has been spending some of his time in going over the books so as to give me an idea as to where the loss took place but the books are a horrible mess, and he is unable to get at any very satisfactory figures. We may be able to figure this out later on.

It is needless to say, however, that the amount appearing on our books as owing to us by this concern represents an absolute loss, and it is my purpose to write it off at the end of the present fiscal year. In other words I do not wish to carry along into another year an absolute loss that was incurred prior to my identifying myself with this Company.

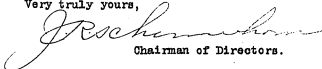
At the moment I am unable to say as to just what this will mean to our Balance Sheet, but indications are that if we break even we will be lucky.

There is also the Lofthouse item which appears to be uncollectable, and I shall doubtless write that off also, and likewise any other accounts that I know to be uncollectable.

I assume, of course, that this will be entirely satisfactory to you.

The other items in your letter do not at the moment seem to require a reply inasmuch as they are contingent upon what takes place hereafter.

Very truly yours,



Chairman of Directors.

J.R.S./L.D.

Dec. 14, 1905.

James H. White, Esq., Managing Director,
National Phonograph Co., Ltd.,
London, England.

My dear Mr. White:

Your favor of Nov. 7th came duly to hand, and I must say that I am more than surprised at its contents. I have been looking up the old correspondence that you refer to, but I do not see that the communications you refer to cover any reference to a tri-party arrangement made between Mr. Edison, you and myself. I remember a conversation that took place between Mr. Edison and yourself, in which he indicated that you were to receive a certain salary for operating the European business, and at that conversation he stated that if you conducted the business satisfactorily and made a success of it he would personally further compensate you. I do not remember any stipulated amount being mentioned, either percentage or otherwise, it being left entirely to Mr. Edison as to whether you should receive any additional compensation or not. Your letter of Sept. 9, 1904, and my letter to you of Oct. 4, 1904, cover purely personal matters, and had nothing whatever to do with the business of this company, or in fact any other company. I am placed in a very embarrassing position, inasmuch as you write me officially on a matter that is purely personal between Mr. Edison and yourself. However, if it is your wish, I shall be pleased to take up for you with Mr. Edison the matter as referred to

R. 12/14/05.

J. H. White.

in your communication, and I wish, therefore, you would send me a copy of the balance sheet that you refer to, dated Feb. 28, 1905, which was made up for your personal information, showing the net profits of the National Phonograph Co., Ltd., to be £11248/0/6, or, roughly figured, \$56,240.00. I do not know how these figures are arrived at, nor can I say what the result of my conference with Mr. Edison ~~was~~ be.

Yours very truly,

WEG/IWW

President.

TAE, Inc. - Fire

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.

TRADE
Thomas A Edison
MARK

Cable Codes Used: A.L., A.R.C., COMMERCIAL,
LESLIE'S AND HUNTING'S.

**Thomas A.
EDISON'S**

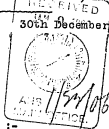
Photographs,
Gold Moulded
Records,
Projecting
Kinetoscopes,
Original Films,
Happy Fan
Motors,
Edison-Primary
Batteries,
Edis and Edison Automatic Hand
Numbering Machines.

**NATIONAL PHONOGRAPH GO. Ltd.
EDISON MANUFACTURING GO. Ltd.**

25, Clerkenwell Road,

London, E.C.

RECEIVED
30th December, 1905.



FACTORIES:

Orange, N.J.
U.S.A.
+ Berlin.
+ Paris.
+ Brussels.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION YOUR SERIAL

W. E. Gilmore, Esq.,
Orange, New Jersey.

Dear Sir,

I yesterday cabled you as follows :-

"ZYMOTIC NEW YORK GILMORE Moulding Department Paris
"factory destroyed by fire Report indicates moulds not
"injured SCHENKERHORN"

At the time of sending the cable I had not received sufficiently complete information to say more than was indicated in the cable. I have since received advice, however, to the effect that the interior of the Moulding Department of the Paris factory was practically entirely destroyed, that the building was considerably damaged but that none of the moulds were injured. I, of course, immediately both telegraphed and wrote Mr. Riehl to ^{Paris} ~~Orange~~ to send the moulds of all selections that were immediately wanted to Brussels.

I learned of this fire late Thursday afternoon, but in view of the fact that I had several important engagements here, and further, in view of the fact that there was nothing that I could especially do other than I did by letter and cable, I concluded

N. P. Co., Ltd.

to defer going to Paris until Monday the 1st.

I have to-day received your cable on this subject, and your conclusions coincide very largely with mine. Of course the matter of duty is of considerable importance, and also even though we move to Brussels we will have to provide Paris with suitable store-houses and shipping rooms. As you know we are now occupying four separate and distinct properties, that is, the factory, the record store-house in Levallois, (both the above rented by the National Company,) selling offices and the Paris store-house where a certain number of records and the machines are carried.

Unfortunately we have more or less long leases of all these properties, and I have only been deterred from consolidating the whole outfit because of the fact that we ^{might} be unable to sub-let or get rid of the leases of the properties now occupied. There would, of course, be considerable saving effected if the plants were consolidated. However, upon my arrival in Paris all of these matters will have my careful consideration.

Mr. Marks is away and has not been to his office this week, and I am somewhat in doubt as to whether or not I will be able to see him, although I will endeavour to get hold of him later in the day.

We are fully covered by insurance and it is only a question of making a satisfactory adjustment. I have written Mr. Riehl to be sure to fully cover himself if such a thing is possible. I presume, of course, the adjustment will not have been effected by the time I arrive in Paris.

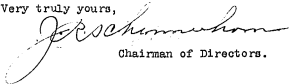
After reaching Paris I will cable you quite fully on the situation.

N. P. Co., Ltd.

At the moment I cannot state as to whether or not the fire will cancel the lease, although the lease on this particular property is in the most satisfactory condition of any. We can get rid of it by giving six month's notice and paying an indemnity of six months' rent, or in other words the equivalent of one year's rental which amounts to but \$270.

In the event of moving, however, we should, of course, lose the investment caused by erecting the new building.

Very truly yours,

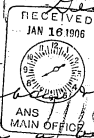


Chairman of Directors.

J.R.S./L.D.

[FROM JOHN R. SCHERMERHORN]

W
W
N. P. Co., Ltd.



My Dear Ed -

Transacted
permanently
nearly come in a bunch -

Five in Paris, possibility of adverse legal decision in Belgium & yesterday your old partner found (?) Stephen F. Morley - He phoned me Thursday saying he would like to see me at the Carlton - I said he could see me at my office & he came - well I was of course mystified & surprised - as usual he put about the bush for some time but finally brought out his reasons for leaving me up - He claims to have control of the E.B. & wants to make a deal with us - claims he can turn the whole thing into our control, will wipe off all the old money - Edlin United - drop suits in foot clean everything up in the way of alleged contracts or - He claims the E.B. are doing an enormous business & are making money, but that the

2

profits are dissipated by poor management
+ in paying exorbitant fees to directors.

There are two boards - one for E. B. + one
for Edison Co. - that the fees paid to
the two boards will pay good dividends
on \$7,000,000 - The alleged their sales were
about \$5,000,000 last year will be more
this year - He showed me no figures
but ~~did~~ wished me to look him up in
Paris next week when he would give
me further particulars of figures.

The issue is his - How my first thought
was - what is up? He is probably
concerned about the direction of management.
Though is getting his spitefully by letting
some the directors in as to enable him
to get it.

I doubt their making much money
although they should do so on sales of
\$5,000,000 if their mfg. costs are right.

I still feel there is something
behind it all + naturally think either
that m. is trying to do it or some body
else - He probably needs money & the
american end is indeed dry must if necessary
look elsewhere - If he is up against
it & has the control as alleged then a
deal could be made, provided the outfit

3

N. P. Co., Ltd.

is worth anything - I presume they are bonded may have big liabilities hence it would not be worth entertaining a proposition - nevertheless I shall see him next week & see what I can learn - If we had them I believe we could make money out of the business provided the fiscal changes could be gotten out of the way - The sticking point is here to stay & of course can be sold at a profit above actual legitimate cost as you know - but I am afraid of "Mr Fox" - what do you think of the game?

Is it worth anything to get them out of the way? I shall of course get all the information possible & say nothing - In the meantime think it over & write your opinion - no one knows anything about it but

Yours truly
John

No moves still any day I shall see his self leaving for Paris - will see Bonden & get his opinion some moving - that is will it affect our standing in the public against Padde

**National Phonograph Company Records
Correspondence, Domestic (1906)**

This folder contains correspondence and other documents relating to the commercial exploitation of phonographs in the United States. Most of the items are letters to and from William E. Gilmore, president of NPCo. Other correspondents include Carl H. Wilson, manager of sales; Leonard C. McChesney, manager of the Advertising Department; Nelson C. Durand, manager of the Commercial Department; attorney Frank L. Dyer; and San Francisco jobber Peter Bacigalupi. Included are letters pertaining to the manufacture, distribution, and sale of phonographs and cylinder records, as well as correspondence about litigation, patents, copyrights, and other legal matters. Among the documents for 1906 are letters regarding losses sustained in the San Francisco earthquake and fire, the organization of business on the West Coast, the closure of the Chicago office, periodical advertising, and record exchange plans for jobbers and dealers. Also included are a report on NPCo's jobbers and dealers in New York State, two circulars sent by the Victor Talking Machine Co. to its distributors, a list of the patents under which NPCo was operating, and testimonials about the Edison dictaphones installed and maintained by the Commercial Department.

Approximately 10 percent of the documents have been selected. Among the items not selected are documents pertaining to ongoing litigation with the New York Phonograph Co. and other parties and to the business of individual dealers and jobbers.

Form No. 645

Mr. W. E. Gilmore.

New York City, Jan. 2nd, 1906.

REPORT OF JOBBERS & RETAIL DEALERS AGREEMENTS.

| DATE | Jobbers Agreements. | Retail Dealers Through New York Office. | Retail Dealers Through Chicago Office. | Total Retail Dealers Direct. | Retail Dealers Through Jobbers | Total Retail Dealers. | Retail Dealers Out of Business. | New Dealers. |
|---------|------------------------|---|--|---------------------------------|-----------------------------------|--------------------------|------------------------------------|--------------|
| Nov. 25 | 140 | 687 | 733 | 1420 | 5103 | 6523 | | 39 |
| Dec. 2 | 140 | 694 | 736 | 1430 | 5130 | 6560 | | 37 |
| 9 | 140 | 697 | 740 | 1437 | 5198 | 6635 | | 75 |
| 16 | 141 | 699 | 748 | 1447 | 5230 | 6677 | | 42 |
| 23 | 140 | 701 | 763 | 1464 | 5244 | 6708 | | 31 |
| 30 | 140 | 706 | 765 | 1471 | 5287 | 6758 | | 50 |

AKD.

AKD

C. H. *Wilson*

| | | |
|--|---|--|
| JOBBERS EDISON PHONOGRAPHS RECORDS, ETC. GENERAL SUPPLIES FOR CYLINDER MACHINES | <i>Victor</i> Douglas Phonograph Company MANUFACTURERS OF PERFECTION SUPPLIES, ETC. RETAIL - WHOLESALE - EXPORT <u>Salesroom, 89 Chambers Street</u> <u>Office, 71 Reads Street</u> <small>Call Address, Douglas, New York</small> <small>Telephone, 3605 Franklin</small> | DISTRIBUTORS VICTOR TALKING MACHINES RECORDS, ETC. GENERAL SUPPLIES FOR DISC MACHINES |
|--|---|--|

Subject

Copy T.M.C. letter

New York,

January 31st, 1906.

We have now passed through the first month's experience on our new delivery system on new monthly records, and desire you to know just how it has worked out, so that you will be impressed with the absolute necessity of co-operating with us carefully, to the end that the system may be worked out to our mutual satisfaction.

Talking into consideration the fact that the system was inaugurated just at the season when we were pushed beyond the limit, and beyond our capacity to fill even regular orders for records, - it worked through fairly satisfactorily.

Our forces both in the Pressing Plant and Shipping Department have worked during the month of January almost beyond the limit of human endurance. We are under obligations to them for that exhibition of interest which caused some of them to work until they could hardly stand on their feet. We cannot expect nor will we ask this another month. Our distributors must realize that they will have to get their order for their own stock of new supplement records into the Factory just as quickly after the first of the month as they possibly can, and orders coming into them subsequently from the "Advance List Order Blanks," which they send out to their dealers, should form the subject of another order, which must reach us not later than the tenth inst.

Only by following this plan will the factory be placed in the position to guarantee that the distributor will have a stock of new records on hand to sell by the 28th of the month.

The second criticism necessitated by circumstances, and by the injudicious and inexcusable error of some half dozen of our distributors, of whom we have learned, is the fact that they did, in this case, sell some of these records, some wholesale, others at both wholesale and retail, prior to the 28th day of January (which was the opening day in January, because the 28th fell on Sunday).

| | | |
|---|---|---|
| JOBBERS EDISON PHONOGRAPHS RECORDS, ETC. ——— GENERAL SUPPLIES FOR CYLINDER MACHINES | Douglas Phonograph Company MANUFACTURERS ^{OF} "PERFECTION" SUPPLIES, ETC. RETAIL — WHOLESALE — EXPORT Salesroom, 69 Chambers Street Office, 71 Reade Street <small>Calc. Adm. Douglas, New York Telephone, 305 Franklin</small> | DISTRIBUTORS VICTOR TALKING MACHINES RECORDS, ETC. ——— GENERAL SUPPLIES FOR DISC MACHINES |
|---|---|---|

Subject

New York,

We will not again excuse this on the part of a distributor. Our announcement plainly states that neither records nor supplements were to be sold, either at wholesale or retail, or charged, or shipped, or mailed, or delivered, before the 28th day of the month by any distributor. (This practically insured the small dealer having his records in stock by the first day of the month, which in all we are aiming to accomplish.

We have thought out the workings of this plan thoroughly, and are convinced of its fairness to all dealers and distributors. If we hear of a violation of these rules on the part of these distributors again, we shall be compelled, in justice to those distributors who live up to our rules and to guarantee against such violation, to withhold shipment of their new records and supplements from the factory until the 28th of the month. There is absolutely no sense in one distributor trying to get ahead of another in this manner.

We shall not accept as an excuse for errors in the future, carelessness of clerks, or ignorance of the rules by clerks, etc. etc.

We trust that you appreciate the necessity for and will excuse the arbitrary tone of this letter, but these rules must be iron clad in order to best serve our mutual interests.

Yours very truly,

VICTOR TALKING MACHINE CO.

Louis F. Geissler,

Gen'l. Manager.

P.S. The Schuman-Heink records mentioned on the bottom of the February Hanger will not be on sale before February 28th. The mention of same at that date was an error in our printing office.

W. E. GILMORE,
PRESIDENT GENERAL MANAGER,
J. B. SCHENCK PHONOGRAPHS,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER,
A. WEBSTER,
SECRETARY

**COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.**

ORANGE, N. J.

MANUFACTURING AND INSTALLING APPLIANCES FOR THE
EDISON COMMERCIAL SYSTEM

CONDUCTED WITH THE

BUSINESS PHONOGRAPH

31 UNION SQUARE, NEW YORK.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

TRADE
Thomas A. Edison
MARK.

LECTURED TO THE
EDISON BUSINESS
PHONOGRAPH

CABLE ADDRESS
"ZYNOTIC, NEW YORK"

MCD-E.M.

ADDRESS YOUR REPLY TO



New York, Feb 5, 1906

Mr. W. E. Gilmore, President,

National Phonograph Co.,

Orange, N.J.

Dear Sir:-

Attached please find copy of endorsement just received from the Office of Official Reporters of Debates, House of Representatives U. S. No doubt this will interest you as the same has been very readily given, and was not dictated at all by the writer.

Yours truly,

NATIONAL PHONOGRAPH CO.
Commercial Dept.

Klanck Strunk
Manager.

Mighty good
W.E.G.
W.E.G.

[ENCLOSURE]

A. C. Welch
Fred Ireland,
Reuel Small,
Allister Cochrane
George C. Lafferty
Samuel H. Gray
assistant
John Cameron.

OFFICE OF OFFICIAL REPORTERS OF DEBATES,

House of Representatives, U. S.

Washington, D. C.

February 3, 1906. *Copy*

Commercial Department,
National Phonograph Company,
Orange, New Jersey.

Dear Sirs:

After having "talking machines" in the office of the Official Reporters of Debates ever since they were first used for commercial, practical uses, a period of something over eighteen years, the machines of your Company were installed in place of those in use in the beginning of this year. Our shorthand reports of the debates of the House are dictated to them, running daily from fifty to sixty-thousand words, and we have no hesitation in saying that the Edison Business Phonograph is a better machine than any of which, up to this time, we have knowledge or experience.

Yours truly,
(Signed)

A. C. Welch
Fred Ireland
Reuel Small
Allister Cochrane
George C. Lafferty
S. H. Gray

Official Reporters of Debates
H. of R.

Mr. J. F. Randolph:

I wish you would put the attached papers in Mr. Edison's basket and let him read same over at his leisure, then return same to Mr. Walker, who will file them.

4/13/06.

W. E. Gilmore.

(3)

good tag

COPIED

WESTERN UNION TELEGRAPH CO.

[ENCLOSURE]

Form No. 77

MEMORANDUM

COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.

MAIN OFFICE, ORANGE N. J.
NEW YORK OFFICE, 51 UNION SQUARE
CHICAGO OFFICE, 304 WABASH AVE.

Dur

Orange, N. J. MAR 16 1906



Mr. W. E. Gilmore, Pres't.,
Dear Sir:-

Enclosed you will find a report on the Edison Business Phonograph made by Mr. Gurnee, Chief Clerk, of the N. Y. Telephone Co.; we enclose also a report on the Graphophone made by Mr. I. Fleming of the same company.

You will note that we were in competition with the Graphophone people, and had our initial installation of 12 machines accepted.

The report, as you will note, is very intelligent and shows that the machines won out on their merits entirely, after being very carefully presented.

Very truly yours,

NATIONAL PHONOGRAPH COMPANY,
Commercial Department.

Wilson C. Linnard
P.
Mgr.

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT GENERAL MANAGER.
J. R. SCHNEIDERMAN,
ASSISTANT GENERAL MANAGER.

COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.
ORANGE, N. J.

MANUFACTURING AND INSTALLING APPLIANCES FOR THE
EDISON COMMERCIAL SYSTEM

CONDUCTED WITH THE
BUSINESS PHONOGRAPH

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

J. F. RANDOLPH,
MANAGER.
A. WESTCE,
SECRETARY.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
BOSTON,
MEXICO CITY.

TRADE
Thomas A. Edison
MARK.

DICTATED TO THE
EDISON BUSINESS
PHONOGRAPH

CABLE ADDRESS
ZYNOTIC, NEW YORK

ADDRESS YOUR REPLY TO

Orange, N. J.

SUBJECT: A suggestion for the Despatch of the Correspondence of this Office.
NEW YORK TELEPHONE COMPANY.

Mr. W. T. Gurnee,
Chief Clerk.

Dear Sir:-

In suggesting the employment of the Commercial Graphophone as a solution to many of the difficulties connected with the despatching of the correspondence of this office, no claim is made for the originality of all the statements which follow concerning the machines. As you are well aware, the use of the Commercial Graphophone is not new. A large number of up-to-date business houses with immense correspondence having used them for years. The fact that many of these concerns are constantly adding new machines to their outfits is the best evidence that can be offered of their value. And while I may mention nothing about the machines but what you are already fully acquainted with, still it may be that some of the advantages of their use may have been overlooked. Acting under this supposition, this suggestion has been offered.

OPERATORS GENERALLY REQUIRED TO FRAME THE ORDINARY LETTER.

Five operators are generally required to frame the ordinary letter. First, the dictation; Second, writing the shorthand notes; Third, repetitions for the dictators; Fourth, reading the notes in transcription; Fifth, typewriting the communication. The Commercial Graphophone seeks to dispense with the three intermediate processes, leaving only the dictation and typewriting.

HOW IT WORKS.

You dictate to the machine in exactly the same manner you do to a stenographer, talking as fast as you like, and changing and altering as you go. When interrupted, on resuming you may listen to previous dictation and proceed. After finishing you remove the record cylinder from the machine, send it to the transcriber who places it in another machine, listens to what you have

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHLESINGERHOFF,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.
A. WESTEC,
SECRETARY.

COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.
ORANGE, N. J.

MANUFACTURING AND INSTALLING APPLIANCES FOR THE
EDISON COMMERCIAL SYSTEM

CONDUCTED WITH THE
BUSINESS PHONOGRAPH

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

TRADE
Thomas A. Edison
MARK.

DICTIONATED TO THE
EDISON BUSINESS
PHONOGRAPH

CABLE ADDRESS
ZYMOTIC, NEW YORK

ADDRESS YOUR REPLY TO

Orange, N. J.

-2-

said and typewrites it.

CONVENIENCE.

The Graphophone is always ready - no waiting for a stenographer, no stenographer waiting for you. You dictate when you wish and with any rate of speed. Frequently we are kept so busy during the day that we get no opportunity to dictate to the stenographer. With the Graphophone at hand the correspondence may be "cleaned up" after hours or early in the morning when there would be no stenographer present. It enables the typewrist to write easier, with more speed and greater accuracy. Having no notes to read, their entire attention is directed toward writing. It also affords them an opportunity immediately after transcribing to correct or check important matter by listening again to the dictation and comparing it with the typewritten copy. When writing, the machine is controlled by the operators foot so that she may start and stop the machine at will, enabling her to write with whatever speed she likes.

ECONOMY.

It can be safely estimated that 40 per. cent or over three hours a day of such stenographers' time is taken up in waiting for and taking dictation, not to mention the time required in reading the notes in transcription. With four stenographers this means a vast amount of unproductive time. To this must be added the time lost by each dictator in waiting for the stenographer and the confusion to both the dictator and stenographer in starting and stopping each new task. With the Graphophone there is no unproductive time. While you are dictating, or about other work, the stenographer is busy writing out dictation previously given to the Graphophone. Another fact claimed for the machine is that the users dictate much more rapidly to the machine than they would to a stenographer.

COST.

The cost of the best machine equipped with electrical

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHIFFERSBERGER,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.
A. WESTER,
SECRETARY.

**COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.**

ORANGE, N. J.

MANUFACTURING AND INSTALLING APPLIANCES FOR THE
EDISON COMMERCIAL SYSTEM

CONDUCTED WITH THE
BUSINESS PHONOGRAPH

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

TRADE
Thomas A. Edison.
MARK.

DICTATED TO THE
EDISON BUSINESS
PHONOGRAPH

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

Orange, N. J.

-3-

motor to run from 110 volt direct current is \$60.00 each. Each machine includes recorder, reproducer, speaking and hearing tubes. The blank cylinders cost 30 cts. each or in lots of 100, 25 cts. each. A machine for the purpose of shaving the surfaces of the cylinders so that they may be reused over and over again costs \$30.00. So that the initial cost of an outfit - two Graphophones, one for dictator and one for transcriber, shaving machine, cylinders, etc., would cost approximately \$150.00. After that, new machines added would cost but \$60.00 and of course but one shaving machine would ever be required.

LOW COST OF MAINTENANCE.

The amount of current required to run the machines is very small - costing about one-half cent per hour. The capacity of one cylinder is about 1,000 words on one surface. The cylinder is then put through the shaving machine and is always ready for use. As each cylinder can thus be shaved one hundred times it can readily be seen that the cost of maintenance is very low.

TRIAL SERVICE.

I might add that the Columbia Phonograph Co., the sales agents of the Commercial Graphophone, furnish the machines for trial service without any cost to the prospective purchaser.

I Fleming
12-14-'05.

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHREIBERHOFF,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
INDONESIA,
A. WESTER,
SECRETARY

**COMMERCIAL DEPARTMENT
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"SYNOPTIC, NEW YORK"

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MARK.

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EDISON BUSINESS
PHONOGRAPH

ADDRESS YOUR REPLY TO

Orange, N. J.

NEW YORK TELEPHONE COMPANY,
Equipment Department.

February 14th, 1906.

Memo. to Mr. W. T. Gurnee, Chief Clerk:-

As you know, our correspondence had increased to such an extent by the middle of December 1905, that the force of four stenographers then handling it was deemed insufficient, and that it was necessary to either increase our force or find some other means of facilitating the work.

With a view to perfecting a system of correspondence which would enable us to handle the business economically as well as efficiently, machine dictation was considered. We found there were but two machines in the market - The graphophone, manufactured by the Columbia Phonograph Co., and the Edison business phonograph, manufactured by the National Phonograph Co. After a careful consideration of the respective merits of the two machines, we came to the conclusion that the latter is the superior machine for general office work, in that its manipulation is much the more certain and simple of the two, requiring less attention and care from the dictator. It was, therefore, decided to accept the proposition of the National Phonograph Co. to install a number of their phonographs for a trial period of sixty days, and on December 21st, the National Co. began the installations, placing the machines, a few at a time, until now we have a total of eleven - two for transcribing and nine for dictating.

With the installation of the first phonograph, we engaged an operator, at a salary of \$15.00 per week, and since that time, this operator has transcribed dictation from nineteen different persons. The record of her work beginning January 8th, is as follows:

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHNEIDERBACH,
ADJUTANT GENERAL MANAGER.



DICTATED TO THE
EDISON BUSINESS
PHONOGRAPH

**COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.**

ORANGE, N. J.
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306 WABASH AVENUE, CHICAGO.

J. F. RANDOLPH,
TREASURER.
A. WESTICE,
SECRETARY.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

Orange, N. J.

-2-

Week ending Jan. 13th:

51 cylinders = 177 letters.

Average: 30 letters per day.

Week ending Jan. 20th:

37 cylinders = 191 letters.

Average: 32 letters per day.

Week ending Jan. 27th:

45 cylinders = 213 letters.

Average: 35 letters per day.

Week ending Feb. 3rd:

48 cylinders = 228 letters.

Average: 38 letters per day.

Week ending Feb. 10th:

48 cylinders = 216 letters.

Average: 36 letters per day.

During this period the operator did a considerable amount of copy work, yet handled at least three-quarters of the dictated matter of this department; also that these letters were not selected, but such as are written daily in the general course of business.

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHENKELBERGER,
ASSISTANT GENERAL MANAGER.

COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

MANUFACTURING AND INSTALLING APPLIANCES FOR THE
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J. F. RANDOLPH,
TREASURER,
A. WESTICE,
SECRETARY.

TRADE
Mark
Thomas A. Edison.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

DICTATED TO THE
EDISON BUSINESS
PHONOGRAPH

CABLE ADDRESS
"ZYNOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

Orange, N. J.

-3-

Moreover, few had to be re-written, although the terms and phraseology were new to the operator. I think I may say it has been fully demonstrated that the only matter it is necessary to have typewritten which cannot be advantageously dictated to the phonograph, is the regular statement or tabulated work which is usually prepared in longhand.

As to the economical side of the question, it is quite apparent that a considerable saving would be effected by the use of the machines. The operator cannot only transcribe much faster from the phonograph than from shorthand notes, but her entire time is occupied in transcribing, no part of it being spent with the dictator. Again, there is a saving in the time of the dictator for he may dictate to the machine as fast as he chooses without fear of being misquoted.

Although the change from the stenographic to machine dictation was a radical one, no difficulty whatever seems to have been experienced in adapting the phonograph to our office conditions. The simple requirements of the system were readily interpreted by the dictators whose work has been greatly facilitated by the constant availability of the phonograph.

I have found that machine dictation is being generally adopted by progressive firms and that there are perhaps more gramophones than phonographs in use at the present time. This is due to the fact that the former have been on the market for a number of years, whereas the latter was placed on sale during July 1906. The fact that the phonograph is so obtaining a foothold in every house where the gramophone had been previously established, is good evidence of its superiority. I might emphasize the following good points in favor of the Edison Business Phonograph:

- 1st. It saves the time of the stenographer spent in taking dictations.

- 2nd. It economizes the time of the person dictating, as one will naturally dictate more rapidly to the phonograph than to a stenographer.

- 3rd. It relieves the burden on the mind of the person who dictates, because the machine is always at hand and ready to take any letter or memorandum the moment the dictator determines upon what he is going to say. A dictator is frequently unable to get a stenographer when he wants one, making it necessary

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHEPHERDSON,
ASSISTANT GENERAL MANAGER.

TRADE
Thomas A. Edison
MARK.

DICTATED TO THE
EDISON BUSINESS
PHONOGRAPH

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CABLE ADDRESS
"ZYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

Orange, N. J.

-4-

sometimes to review his work to be sure about what he has to say. This does not happen with the phonograph. It is always ready.

4th. It cultivates accuracy and fluency on the part of the person who dictates correspondence.

5th. It saves time for the stenographer, as it requires less time to transcribe a letter from the phonograph than from shorthand notes.

6th. Any operator can transcribe from the phonograph, thus making it possible to equally distribute the dictation among the various operators for transcription. In the case of shorthand notes, only the person who receives the dictation can transcribe.

7th. It increases the output of both the dictaer and transcriber.

So far as our experiments go, it does not appear that repairs amount to much. The National Phono. Co. have a maintenance department that makes regular inspections of all of their machines, keeping them in repair for one year without charge. A single cylinder will, during its life, record 2000 x 15 line letters, so that the cost per letter, due to the consumption of the record, compares more than favorably with the cost of note books and pencils. The system we are now using on trial, with one additional machine - 12 in all - is, I think, sufficient to meet our requirements, and would cost for each phonograph \$85.00 and for one shaver \$45.00. We feel that this investment of about \$800.00 would be offset in one year by the savings which result from the use of the phonograph system.

Inasmuch as we have satisfied ourselves that it is thoroughly practical, more efficient and economical than the stenographic system, I recommend that an installation of 12 phonographs and one shaver be purchased.

I attach hereto a letter from the W. B. Co., where machine dictation has entirely supplanted stenographic dictation. It would seem from this letter that their men experienced more trouble before final success than we have, or have any reason to expect. This, I think, has been due to their use of a different machine which, as I have said before, is not by any means as well adapted to commercial purposes as the one we have been testing.

Mr. Bergquist, after having used the graphophone,

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER
J. R. SCHERMERHORN,
VICE-PRESIDENT GENERAL MANAGER

J. F. RANDOLPH,
TREASURER
A. WESTLEY,
SECRETARY

COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

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MEXICO CITY.

TRADE
Thomas A. Edison
MARK

DICTATED TO THE
EDISON BUSINESS
PHONOGRAPH

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

Orange, N. J.

-5-

has been able to compile some figures regarding the comparative cost of stenographic and machine dictation which will possess interest.

I give below a list of a few large firms using graphophones and at present increasing their plants by the addition of Edison Business Phonographs:

1. Sears, Roebuck & Co., Chicago, Ill.
2. Larin Soap Co., Buffalo, N. Y.
3. N. Y. Edison Co., N. Y. City.
4. Metropolitan Life Insurance Co., N. Y.
5. Brooklyn Edison Co., Brooklyn, N. Y.
6. Western Electric Co., N. Y. & Chicago.

I have called on the N. Y. Edison Co., as well as the Metropolitan Life Insurance Co., and have been told by representatives of both that machine dictation possesses many advantages over the shorthand system and that, having tried both the graphophone and phonograph, they consider the latter much the better machine.

RFS-B

Special Agent.

February 16th, 1906.

MEMO. to Mr. J. A. Stewart:

I consider that our test of the phonograph has clearly demonstrated its usefulness and economy in our business. The Edison machine possesses many distinct advantages over the graphophone. The principal advantage is the simplicity of reproducing dictation.

Without the phonographs, it would soon be necessary for us to engage an additional stenographer. This would mean a new typewriting machine worth \$50.00 and an increase in our payroll of at least \$750.00 a year, a total of \$800.00, an amount sufficient to purchase 12 phonographs and accessories. I concur in the recommendation made herein.

WTC:B

W. E. GILMORE,
PRESIDENT & MANAGING DIRECTOR.
J. R. SCHEMERHORN,
ASSISTANT GENERAL MANAGER.

TRADE
Mark
Thomas A. Edison

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND NEITHER THESE INITIALS.

E. K. D.

Phon. - Sales

J. F. RANDOLPH,
TREASURER.
A. WESTEE, SECRETARY.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

New York, APRIL 20-1906.

Mr. Wm. E. Gilmore, President,
"The Homestead",
Hot Springs, Va.

Dear Sir:--

Accepting the newspaper reports relative to the conditions at San Francisco, it would certainly appear that all of the business places handled by Peter Bacigalupi at that point had been wiped out. Up to this date we have heard nothing whatever from him, although Mr. Wilson wired him yesterday, but we all know the conditions are such that it will be difficult to get word from that point.

He is indebted to the National Company to the extent of \$22,642.81 these figures being obtained from the ledger this morning, and \$4,250.07 of these goods have been shipped to him subsequent to April 1st, and I take it for granted that the larger portion of these goods have not as yet been received.

I am enclosing herewith a Memorandum showing the amount of insurance which he is carrying on our goods and which if he obtains settlement in full, should nearly cover the account. There is no debit whatever on the Edison Manufacturing Company's ledger as this account was straightened out only a short time ago. The present amount of Mr. Bacigalupi's indebtedness with us is considerably less than it has been at any time for the past eighteen months, and it would seem to me that this would be an excellent opportunity of changing the conditions under which we have been doing business with him. It hardly seems possible that anyone will be able to resume business at San Francisco for a period of six months at least, although it may be possible that Mr. Bacigalupi will endeavor to open at some other point, and as we had practically determined to only continue with him for a period of one year from September last, I believe you will decide this is an excellent opportunity to establish jobbers at the several points in California which have not as yet been covered to our entire satisfaction. In conversation with Mr. Wilson and Mr. Westee this morning they agreed with me as to this, and I feel that this is one of the matters which you will now consider.

No. 2

W. R. G.

We had a call from Mr. Howard Wurlitzer of Cincinnati this morning and he states that Mr. Bacigalupi is indebted to them to the extent of \$4,000. on Open Account and approximately \$8,000. represented in either his personal Notes, or Notes of his customers with Mr. Bacigalupi's endorsement, and Mr. Wurlitzer was quite anxious to know what we purposed doing in the matter of assisting Mr. Bacigalupi to resume.

It does not seem possible to do anything in connection with this matter, at least for the present, or until we are fully aware of the existing conditions, and, consequently, the matter will be allowed to rest until your return, or until you issue instructions concerning it.

Mr. Wilson has just called my attention to the fact that he has instructed that all orders for Mr. Bacigalupi be held, and he is also having compiled a list of the goods shipped him recently, and which must now be in transit, the object being to recall them if we deem it necessary.

With best wishes for your good health, I remain,

Yours very truly,

NATIONAL PHONOGRAPH COMPANY.

G. F. Dolbear
Manager Credit Department.

LVR
enc

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER,
J. R. SCHENKERHORN,
ASSISTANT GENERAL MANAGER.

TRADE
Thomas A. Edison
MARK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND REVISION THESE DETAILS.

NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
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MEXICO CITY.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"LYMOTIC, NEW YORK"

Orange, N. J.

April 25, 1906.

W. E. Gilmore, Esq.,

C/o The Homestead,

Hot Springs, Va.

Dear Sir:

The following message from Bacigalupi was not received until this morning, and I immediately transmitted same to you by wire:

"San Francisco, Cal., April 20, 1906
"Everything destroyed but my energy and home. If insurance not paid am ruined. Don't desert me. Still want to be Edison man.
Peter Bacigalupi."

You will note that although this is dated the 20th, the one which I transmitted yesterday, dated the 23rd, was received first. I do not know of anything to add to my letter written you yesterday, and, as we have already wired Bacigalupi that we would do all we possibly could for him, also that his dealers' orders could be sent to Chicago, I do not see that any reply is necessary to this message. It may be, however, that you will decide to wire or write reply direct.

We have given the transportation companies instructions to hold all shipments enroute to Bacigalupi, with the idea of diverting them as soon as we receive advice as to where they are located. Now that Bacigalupi has secured temporary headquarters, it is barely possible he will want such shipments himself, but we will do nothing toward forwarding such ones as we are able to hold up until you return or we receive instructions from you to do so.

Yours very truly,

W. E. Gilmore
General Manager of Sales

CEW/iww

W. E. GILMORE,
PRESIDENT AND GENERAL MANAGER.
J. R. SCHEERHORN,
ASSISTANT GENERAL MANAGER.

Phon. Sales

J. F. RANDOLPH,
TREASURER.
LESLIE B. GRAMMER,
A. WESTE, SECRETARY.

TRADE
MARK
Thomas A. Edison.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

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304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

IN REPLYING ADDRESS, THE COMPANY NOT
THE INDIVIDUAL, AND SPECIFY THESE OFFICES

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"SYNCHOTIC, NEW YORK"

F. K. D.

C

New York, APRIL 27-1906.

Mr. Wm. E. Gilmore, President,

National Phonograph Company,

Orange, N. J.

Dear Sir:---

During my recent Western trip I received several complaints relative to the Chicago Office looking after Retail Dealer's Trade, such complaints, of course, coming from the jobbers who had been having some difficulty in obtaining sufficient of our goods to take care of dealers requirements. I realize that this is an old story, and one with which you are entirely familiar, but in view of Mr. Logue's death, and looking toward the betterment of existing conditions, and with the object in view of somewhat relieving the situation as to our goods, I would respectfully submit for your careful consideration, the following suggestions:---

FIRST: The abolishment of the National Phonograph Company's Chicago Office; that is, in so far as the carrying of a stock of merchandise, and the maintenance of an office force, together with the keeping of books and accounts at that point, thereby at once restoring our company to the full confidence of the jobbers in that territory, and showing them that it is not our intent to take from them any of the dealers business, or in any way follow the plan of competing companies.

SECOND: The prompt distribution of the stock of merchandise now on hand among the jobbers in the Western territory, many of whom are sadly in need of goods, particularly records.

THIRD: The transfer of Mr. Nisbett to the New York Office to replace Mr. Logue as Sales Manager of the Edison Manufacturing Company, thus at once providing a position for him, and placing one who is quite familiar with the battery line, in charge, and who I feel is competent to handle same under your personal supervision.

FOURTH: The retention of the present Chicago address for the Commercial and Kinetograph Departments, placing Miss Knobloch as Cashier; thereby insuring the petty cash and such collections as they make, in the hands of a responsible party, and I think you will agree with me that she is entitled to the utmost confidence.

FIFTH:

Bring Mr. Campbell to the factory and there provide him with suitable employment, and at the same time get him away from his present associations which I am led to believe are a detriment to him, as there have again been complaints that he has been drinking to some extent and thereby neglecting his business. This will also prevent friction between he and Mr. Chandler.

SIXTH: Again place A. V. Chandler on the road as a salesman, he having been very successful in that respect.

SEVENTH: Arrange so that Mr. W. C. Patrick may have desk room on the top floor and continue him in his present capacity, so long as you deem necessary.

EIGHTH: Return to the original plan of having our travelling salesmen report direct to New York Office and travel under Mr. Wilson's personal direction.

The carrying out of the above suggestions will enable us to clear out the entire third floor at 304 Wabash Ave., permitting us to sub-let same, if possible, for the balance of our lease.

It occurs to me that there are a number of benefits to be derived from such a course, as the accounts can be better handled from our Orange Office thereby eliminating the duplication of work to a certain extent, and I am certain Mr. Westee would be very much relieved under the new conditions. The divided responsibility as to credits will cease to exist, and my department is at present equipped so that they can be handled to much better advantage and at considerable less expense.

Our Contract Department under Mr. Madison appears to be a success and by combining the Chicago and New York Files, it would seem to me that mistakes are less likely to occur.

As I understand it, the reason the Chicago Office was originally established was that we did not have sufficient jobbers in the Western territory to properly take care of the dealers requirements, and this reason has now ceased to exist as we are much better represented there, due to the jobbers who have been established in the past year, and we certainly can obtain representative jobbers at the points in that territory which are not now sufficiently well covered. In conversation with Mr. Wilson I learn that the abolishment of the Chicago Office had already been discussed between him, Mr. Westee, and yourself, and if it were not for that fact I would hesitate about breaching this subject to you, but I had never had this matter brought so forcibly to my attention, as during the trip before mentioned. It may appear to you that I am exceeding my province in offering suggestions of this nature, but after giving the matter careful thought and consideration, I believed it would be wise to at least place before you these matters as I see them, and it is only done with the intention of furthering the interests of our company.

Yours very truly,

E. P. Dolbow

Manager Credit Department.

Victor Talking-Machine Company

ELBRIDGE R. JOHNSON
President
LEO F. DOUGLASS
Vice President
CHARLES R. HADDON
Treasurer
A. C. MIDDLETON
Secretary
LOUIS F. GIESBLER
Sole Manager
HONORARY PATENT
Sole Counsel



GRAND PRIZE
HIGHEST AWARDS
ST. LOUIS EXPOSITION
BUFFALO EXPOSITION
PORTLAND EXPOSITION

CABLE ADDRESS:
SOUNDOR.

CAMDEN, N. J. U. S. A. May 7 1906

To our Distributors:

It seems that we must remind a few of our distributors of some of the conditions of our monthly record distributing plan. Our "sample sets" of records are sent to you almost exclusively for the purpose of enabling you to make up an intelligent order for our new records, but you are also permitted, through the medium of your own sample room or in the hands of your own salesmen, to personally show and try these records for your dealers. Our system stops here. You are not permitted to send these sample sets out by express or otherwise to the dealers, for them to handle themselves. These records must not be passed from one dealer to another over the country. If this is done, the dealer certainly will play for his customers in advance and endeavor to secure their orders, and complications and accusations of bad faith will reach other distributors and ourselves in consequence.

Owing to changes recently made in prices on a number of our records, both Red Seal and others, which have perhaps confused some salesmen, it might be a good suggestion to have salesmen, when in doubt, to refer for information to the retail prices invariably printed upon the license label on the back of each record.

Yours very truly

LFG/CHB

VICTOR TALKING MACHINE CO.

Louis F. Giesbler
General Manager

EXECUTIVE OFFICES.

SHEET NO.

DATE

EDISON PHONOGRAPH WORKS

PERSONAL

May 8, 1906.

Peter Bacigalupi, Esq.,
1107 Fillmore St.,
San Francisco, Cal.

My dear Peter:

Your telegram of May 1st, from Oakland, Cal., reading as follows:

"Just opened my large safe. Had hoped to find general ledger, notes receivable, insurance policies intact; found only ashes. This I consider hardest blow of all. Need three thousand dollars in greenbacks by express urgently."

came duly to hand, and on the same date I wired you at 1107 Fillmore St. as follows:

"All information received indicates everything wiped out. Can you indicate your total indebtedness outside ourselves? Wuritzer claims your indebtedness them, notes and open account, about twelve thousand dollars. How many others and what amounts? In absence of full information I cannot determine what future arrangements can be made. Do not feel you should incur further indebtedness subject to seizure by other creditors. What insurance other than seventeen thousand assigned us did you carry on Kearny, Market and Mission Street stores? Answer fully."

From all indications it is apparent that you have been entirely wiped out. I returned from the South last week, but naturally I have had a great deal to do, with your matters as well as others; and I have been unable to get at Mr. Edison so as to go into these matters carefully and decide definitely just what we could do. Several conferences have been held and the matter of what we should do with you in the future has been discussed most fully, with the result that I wired you this morning as follows:

"Letters, telegrams, including communications April 29th and May 1st, received. After careful consideration will loan you thousand dollars cash immediately and extend additional credit limited to ten thousand dollars over and above present indebtedness, providing you will permit establishment other jobbers California and Arizona, we agreeing pay you two and one-half per cent. commission on all business done with new jobbers up to and including September 30th, 1906. Wire reply."

I presume that the letter I wrote you under date of August 9th, 1906, has, amongst other papers, been destroyed, and I am therefore sending you a copy of it, and would draw your particular attention to the last

SHEET NO.

DATE,

2. 5/8/06.

EDISON PHONOGRAPH WORKS

Peter Bacigalupi.

paragraph on the second page, in which the 2 1/2% commission and the basis on which it would be paid are indicated. As you will see from my telegram, we are willing to loan you \$1,000.00, accepting your personal note for same, but we cannot very well see how you can expect us to send you a total of \$3,000.00 in greenbacks or gold; in fact, our position at the present time is such that we cannot send you this very large amount of money, but we trust that with the assistance of others you will be able to secure sufficient money to enable you to get your business organized.

As I have indicated in my telegram, we have decided that we will extend you a credit for additional goods of our manufacture limited to \$10,000.00 over and above your present indebtedness to us, which, as indicated by the latest statement that I have before me, amounts to \$23,067.82. Against this we have an offset of insurance policies amounting in total to \$17,000.00, which, if we succeed in collecting as a whole, will of course reduce the amount to something over \$6,000.00, and it is therefore our intention to permit you to have a total credit of \$16,000.00 you hereafter on a consignment basis, but we intend to put you in the same position as any other jobber, limiting your credit to a total of \$16,000.00 net, which we feel certain will be more satisfactory to us. The grave question that we had to consider was, how we were going to as to getting your business so straightened out that you would practically be on the same basis as all other jobbers. In the nine years in which we have been dealing with you it has always been my aim to try to get you to understand that the method of consigning could not continue indefinitely, and the very sad catastrophe in San Francisco has simply brought the matter to an issue and we consider that this is a good time in which to begin on the new basis such as I have outlined. The discussing the merits of your case, the situation has so presented itself that had we continued the old arrangement there is no doubt that very soon the account would run up to upwards of \$50,000.00, and the then grave question was, how many years would it take to get you back in a position where you would be independent, the same as all other jobbers with whom we have dealings. We feel that with the credit above outlined you will be enabled to do not only a good dealers' business but also a large retail business, just as soon as matters have been straightened out in San Francisco, but we do not feel that the territory can be worked properly with only the one jobber, and it is therefore our opinion that additional jobbers should be established so that our business as a whole will not suffer and we be properly represented as against our competitors. In discussing the matter with Mr. Wilson I find that our competition was gone over with you most carefully at the time he was in California, and it is our belief that if Edison goods are to be representative on the Pacific Coast the establishment of other jobbers is not only necessary but imperative. There is no question as to this, inasmuch as the establishment of jobbers in the Northern section clearly indicates that our position was the correct one, as their business has not only been very large, but the fact of the matter is that your business has likewise increased proportionately; and we feel that the same conditions would follow by opening up California and Arizona.

I trust that you will have considered my telegram most carefully and that I will have an answer from you accepting same within the next forty-eight hours. I would also like you to acknowledge this communication at your earliest convenience.

Yours very truly,

WBG/IWW
CHW-FED

President.

[FROM WILLIAM E. GILMORE]

May 9, 1906.

Peter Bacigalupi, Esq.,

1107 Fillmore St.,

San Francisco, Cal.

My dear Bacigalupi:

Referring to your letter of the 29th of April, I took this up at once in connection with the other communication that you wrote me the following day officially, but I considered it necessary that I should write you in a personal vein, as the other communication that has gone forward relates more to the business than anything else.

I note that you have leased a piece of ground; in fact, I think you advised me before as to this, and that you intend to put on it a two-story building, and I hope it will be all that you expect.

As I wired you yesterday, we will gladly send you one thousand dollars in cash and I am making arrangements to have this go forward at once so that you will get it as quickly as possible.

Now in regard to your personal reference, that I be a partner with you in this business, you can readily understand that this is out of the question. I have always found that I cannot "carry water on both shoulders", and I cannot make an exception in your case. Furthermore, I have so much to look after that I do not see that I want to go into anything else; in fact, I have so many things on my shoulders now, due to my connection with Mr. Edison, that I cannot even get away. I find that conditions are such in Europe that it may be absolutely imperative for me to make a short trip abroad, and that in the very near future. I have not for one minute permit me to consider a proposition from you. The reasons for this are obvious. I should, of course, like to run out there with Mr. Dolbeer, but at the present time he has his hands full, inasmuch as he has entire charge of all the arrangements for taking care of the jobbers when they come East, which is no little task, and I cannot spare him anyway at the moment, as if I go to Europe I want all of my people on their work looking after the various departments, so that matters will run smoothly whilst I am away.

It would seem to me that Leon has more time to look after a matter of this kind. I notice that he has just returned from the South with Mr. Johnson, where he has doubtless been rusticated, fishing, shooting, etc. Possibly he has the money to invest and also the time to give to it. If you have not already done so, I would suggest that you write him.

Peter-Bacigalupi.

(2)

5/9/06.

He is no doubt looking out for good investments and here is a first-class opportunity.

The reason you did not hear from me at the time of the fire was that I was away. What I did was to immediately get into communication with New York and Orange so find out what, if anything, they had heard from you, and the telegrams that were sent to you were nearly all of them at my instigation. I knew perfectly well that the wires were all jammed up, hence your inability to receive them. If the telegrams were not signed in my name, the substance of them came from me, so that I had you in mind all the time. It was useless for me to try to send a telegram from Virginia Hot Springs, as it is a side issue, and I doubt if you would have ever received the telegram, as it would have had to go through New York anyway and naturally New York would have the preference.

I note that you have decided to send your family East for a good rest for an indefinite time. I trust that Hissett will meet them at Chicago and see that they are properly taken care of and put through to Philadelphia. I feel certain that he will attend to this satisfactorily. It was very nice of the Southern Pacific people to give you passes for five people to Chicago.

I hope that your son will make a success with Wurlitzer. They are good live people and it is a good opportunity for him.

There is one thing that I have got to give you credit for, and that is that you are always sanguine and not at all pessimistic. You want to continue to be optimistic and look ahead. We are going to try to do everything we possibly can for you, but under the new conditions. Rest assured I will always do everything I can to assist you, as I have done in the past. I am making arrangements to begin shipments to you at once, inasmuch as while I am writing this I have your telegram in answer to mine of yesterday, reading as follows:

"Your telegram eighth. Will accept gratefully loan, also credit; but would like to handle other talking machines, considering competitors will be jobbers who handle discs, besides considering difficulty of sales just now. You should extend commission to September 1907. Never will handle Columbia under any consideration. Please pay no attention to my last letter. Do not attach my insurance; this would only hurt me, and there is no need of it, as you will be fully paid."

to which I have replied as follows:

"No objection your handling disc machines in connection with our cylinder apparatus. Consider proposition made you extremely liberal and regret cannot extend commission to September 1907. Insurance Companies notified policies assigned to us; do not see this will interfere with your future relations commercial concerns. Answer."

From this you will understand that I have not only taken up and considered the proposed arrangement as outlined in my communication of yesterday, but we have also given further consideration to the matter of commission, and we cannot see wherein you should ask us to extend this for another year. You seem to think that your competitors are going to get all the business away from you, but on the contrary I do not see how you can assume any such thing. We have always been advised that your

Peter-Bacigalupi.

(3)

5/9/06.

treated your customers, generally speaking, first-class in every way, and I see no good reason why you should not continue to handle this business, providing you can give them proper service; and, as you have done it for many years past, there is no reason why you should not continue to do so, providing you have the goods.

The last letter that you refer to I do not understand, but assume that it refers to a letter now enroute and which I will doubtless receive within the next few days.

Yours very truly,

Ed

PETER BACIGALUPI & SONS - Successors to
PETER BACIGALUPI

LATE
786 Mission Street
840 Market Street
805 Kearny Street

Edison Phonographs

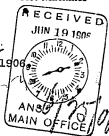
Planinos

Slot Machines

1113-1115
Temporarily. **H97 Fillmore Street**

SAN FRANCISCO May 17, 1906

Mr. Thomas A. Edison,
Dear Sir:-



I beg to enclose you acopy of an advertisement which I put in all our principal papers using a column, and although avery expensive luxury, it has proven a great card for me. My object in writing to you to-day is to inform youwhat Mr. Frank McLaughlin "The Major" writes to me under date of the 17th, as follows:

"Dear Sir:

I have just read your advertisement in to-day's Chronicle - God bless you and yours! and may He send you all the Good Luck you deserve. You'r a thoroughbred.

Yours,

Frank B' McLaughlin."

Now my dear Mr. Edison, I dont want to take up your time by making you a policeman. I have had a bunch of troubles but I dont care a Blank for them. The only thing that I am sorry for is thatI have lost my ledger and some of the fellows who owe me about \$25,000 will give me the "Ha-Ha". This hurts my feelings for I have served them, given them my goods, but as you know everybody in this world is not honest.

I wish to thank you for the interest you have taken in my safety, and hope I will never have occasion to do the same for you. Kindly remember that I always have been, am to-day and will

T. A. E. - 2

be forever at heart, body and soul an Edison man. You can
count me the same as before ready for business, willing to work,
and will always do the square thing with you, Mr. Gilmore and
all my friends at ~~once~~ *Orange*

With kind regards, I am,

Yours very truly,



L.O.K.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHERER, DIRECTOR,
ASSISTANT GENERAL MANAGER.

Phon. - Sales

F. RANDOLPH,
TREASURER,
A. WESTEE,
SECRETARY

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND SECTION THESE INITIALS.

C. H. W.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYNOTIC, NEW YORK"

New York,

May 25, 1906

National Phonograph Co.,

W. E. Gilmore, Esq., President,
Orange, N. J.



Dear Sir;--

I am sending you herewith copies of letters
which I am to-day sending all Western salesmen, G. M. Nisbett, A.
Westee and the TRADE, all of which, I trust, will explain themselves
and meet with your approval.

Yours very truly,

MLM/
Encs.

C. P. Wilson,
MANAGER OF SALES

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHERMERHORN,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.
A. WESTEC, SECRETARY.

NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS.

TRADE
Thomas A. Edison
MARK

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

ADDRESS YOUR REPLY TO

CALL ADDRESS
"LYMOTIC, NEW YORK"

C. H. W.

New York May 24, 1906

To
Western Salesmen, G. M. Nisbett and A. Westec.

Dear Sir:--

We enclose herewith copy of letter which is to-day being sent the TRADE and which we believe will explain itself.

As you will note therein, we will close and discontinue our Chicago Office on May 31st. On and after that date, you will please direct all orders, daily and weekly reports and communications of every description, which it had heretofore been your custom to send Chicago Office, to this office #31 Union Sq., New York City.

Beginning with week ending June 2d, your expense accounts should also be addressed to this office and remittances covering same will be forwarded from here. By this you will understand that the last expense account you are to send Chicago Office will be for week ending May 26th, and that beginning with May 27th, and ending June 2d, and from then on, they are to be sent this office.

As to where your future headquarters will be, that is the point from which you are to start out on your trips and to which you are to return after finishing a trip, in order to receive new instructions, talking over any matters of importance that may arise, etc., that will be determined later on and you will be duly advised.

In the meantime you are to continue covering the territory now allotted, and in all other ways conduct your operations in the same manner as heretofore, with the exception of sending orders either to jobbers or us direct instead of to Chicago Office.

You, of course, understand that under this new arrangement, we prefer having dealers place their orders with a jobber. If, however, they absolutely refuse to do so, or if there is any good reason why they prefer placing them direct with us, we will, of course, accept them.

Should the question be asked you, as to why we have abandoned the Chicago Office, you can say, in all truthfulness, that it is for reason given in our circular letter only. You can further explain that at the time it was established, we were not properly represented by jobbers throughout the Central or Western States--consequently felt compelled to open a distributing branch at that point,

[ENCLOSURE]

-2-

in order to properly protect our interests and supply the TRADE with our goods. It was never our intention, however, to operate this branch in competition with our jobbers; therefore, having now a sufficient number of jobbers in that territory to properly take care of dealers requirements, we are discontinuing the office so that they may obtain the dealers business to which we believe they are rightfully entitled.

If there is any further information you desire in connection with this matter, I would be pleased to furnish same upon request.

Kindly acknowledge receipt of this communication, advising if it is fully understood.

Yours very truly,

Enc.

GENERAL MANAGER OF SALES

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER,
J. R. SCHERERHORN,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER,
A. WESTICE,
SECRETARY

TRADE
Thomas A. Edison.
MARK.

IN REPAYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND REVERT TO THESE INITIALS.
W. E. G.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

Orange, N. J.

May 25, 1906.

Dear Sirs:--

On May 31st, 1906, we will close and discontinue our Chicago Office now located at #304 Wabash Avenue, Chicago, Ill., after which all remittances, orders and communications of every kind and nature heretofore sent to Chicago office, should be addressed to the National Phonograph Company, 31 Union Square, New York City.

The original necessity which caused us to open this office (scarcity of representative Jobbers in the territory) has now ceased to exist and we are pleased to be able to turn over, so far as is possible, the Dealers' business to the established Jobbers who are now in a position to cover the Central and Western states.

In order that they may be in position to properly take care of Dealers' requirements, we would urge upon our Jobbers the necessity of carrying a full and complete stock of Edison goods, thereby placing themselves in position to obtain a share of this new business.

Dealers who have been securing goods from Chicago Office direct, are requested to sign our agreement with one or more Jobbers, thereby enabling them to obtain their supplies promptly and at the same or less transportation charges than was incurred from our Chicago Office.

Yours very truly,

W. E. Gilmore

PRESIDENT & GENERAL MANAGER.

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER
J. R. SCHEERER & SONS,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER
A. WESTEE,
SECRETARY

TRADE
Thomas A. Edison
MARK.

NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND NEVER USE THESE INITIALS.

C. H. W.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

New York, May 25, 1906

National Phonograph Co.,
A. Westee, Auditor,
Orange, N.J.

Dear Sir;--

Enclosed herewith you will find copy of
letter which is being sent to all Western salesmen, copy of TRADE
letter referred to therein; also copy of letter I am to-day writing
G. M. Nisbett of the Chicago Office in connection therewith, all of
which I believe will explain themselves to you. If, however, there
is any information you desire in connection therewith, I will be
glad to take the matter up further with you when at Factory to-morrow
morning.

Yours very truly,

MMM/
Enc.

MANAGER OF SALES

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHERERHORN,
RESIDENT GENERAL MANAGER.

J. F. RANDOLPH,
PRESIDENT.
A. WESTEE,
SECRETARY.

TRADE
Thomas A. Edison
MARK.

NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
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LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND RETURN TO THIS OFFICE.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"SYMOTIC, NEW YORK"

C. H. W.

New York May 25, 1906

National Phonograph Co.,
G. M. Nisbett, Western Manager,
Chicago, Ill.

Dear Sir:--

I am enclosing herewith copy of letter which is to-day being issued to all Western salesmen; also copy of TRADE letter referred to therein, both of which, I believe, explain themselves and be perfectly clear to you.

The question may arise in your mind as to whether or not the accounts of the salesmen are to be transferred to the Orange Office, as of May 27th, inasmuch as that is the date on which they are to begin forwarding their expense accounts to us here. Would, therefore, advise that after talking the matter over with Mr. Dolbear, we have decided it will be best to let their accounts, that is, cash advanced them, sample outfit, etc. stand on the books at your office, until the books are turned over, in ~~full~~, to Orange, and in the meantime we will simply advance to them remittances to cover weekly expenses which they send in. Mr. Dolbear will more fully explain this matter to you when he goes to Chicago on June 4th, if you so desire.

If there is anything you do not understand regarding the matter and on which you wish information before he arrives, write me at once.

Yours very truly,

MEM/
Enc.

MANAGER OF SALES

CABLE ADDRESS
HELM | NEWARK
NEW YORK

LAW OFFICES
JOHN E. HELM
PRUDENTIAL BUILDING, 788 BROAD ST. NEWARK, N. J.
100 BROADWAY, NEW YORK, N. Y.

TELEPHONE
888 NEWARK, N. J.
1493 PRATER, N. Y.

1

Newark, N. J., June 4, 1906.

William E. Gilmore, Esq.,
President Nat'l Phonograph Co.,
Orange, N. J.

Dear Sir:-

In accordance with your request I am submitting herewith a report from Mr. McCoy and myself of our investigation of the jobbers and dealers in the State of New York.

We started on this trip on the 28th day of April in accordance with your instructions to ascertain the effect of the notice of injunction served on the Edison dealers and jobbers by the New York Phonograph Company, and to allay any fear or disturbance that might have been caused by the service of the notice, and at the same time to study the conditions of the phonograph business in the State of New York and make a report as to the business conditions in the state.

Mr. McCoy and myself called on fourteen Edison jobbers and one hundred and forty dealers who are located in twenty seven different cities in the state. We found that the jobbers and dealers had all been served either personally or by registered mail with an injunction notice from the New York Phonograph Company. I should judge that the number of phonographs carried by the jobbers and dealers amounted to about three thousand and about seven hundred and fifty thousand records.

Several dealers throughout the state had either closed their business or had discontinued the sale of Edison goods after the receipt of the injunction notice. It was a rather difficult task to explain to the dealers and jobbers the New York Phonograph Company situation, but after giving them all positive assurance that in the event of any litigation the National Phonograph Company would protect them, they finally concluded to go on selling Edison goods. Some dealers, however, claimed that they were agents of the National and that the injunction notice affected them, and in such instances I gave them a memorandum letter signed by myself as attorney for the National Company, which letter was of the same nature as those sent out by the National legal department to the jobbers.

The question with those most scared was, not that they were afraid of the bringing of a law suit, but what protection the National Company could offer should the court hold them for contempt or put them in jail. I advised them that there would not be any opportunity for the New York Company to hold them for contempt or for damages; that the National Company was the only one who could be held for damages or for contempt and that the dealers could not be held for damages because not one of them was a party to the original suit. This seemed to satisfy them.

The man who served the notice of injunction was evidently in possession of a list of Edison jobbers and dealers throughout the state, which list must have been made some four or five years ago and renewed by adding the very latest jobbers and dealers to the list, for in serving the papers he not only served them on our

present dealers and jobbers but on those too that have been suspended or been out of business for years. The possession of the list was absolutely essential for the process server and the evidence that he was in possession of same may be taken from the fact that he covered the territory of the state of New York in less than four weeks. Ordinary travel in these various towns, villages and cities would take a man six or seven weeks if he merely travelled for his own leisure and comfort, hence my belief that the New York Company is in possession of the name and address of every dealer and jobber in the State of New York. Where this list came from is a matter for the National Company to ascertain and to see that no others are put in possession of any such kind of a list in the future.

The effect of the notice of injunction on the dealers in my estimation simply amounted to a forty-eight hour scare with ninety per cent of the dealers because they immediately started in selling goods upon receipt of information from their jobber and from your Company, whereas the other ten per cent were all the small class dealers, and the time during which they ceased doing business amounted to nothing as far as the sale of goods is concerned.

In getting the affidavits from the various jobbers and dealers we found great difficulty in many instances to have the dealers and jobbers make a statement on the ground that the dealers and jobbers might be brought into court, and they did not care to come from out the State to New York City to be a witness in any case as the expense and loss of time would be too great. However, we got as many affidavits as we possibly could, which affidavits

have been turned over to Mr. Pelzer of the legal department.

The main trouble in the state at the present time seems to be caused by the conflict between the jobber and the dealer in the method of doing business.

The following is a recapitulation of the towns showing the conditions as they exist at present:-

ALBANY - Population 93000; one jobber; six dealers. Four of the dealers are located in the business section and two on the outskirts. All these dealers are equipped with a complete stock of Edison records and phonographs and evidently are doing a good and prosperous business. There is no dissention and prices are being maintained.

TROY - Population 80000; six dealers, four of whom carry a complete stock, and two of whom do business at their homes on the outskirts of the city. There is no dissention and prices are being maintained.

COHOES - Population 25000; three dealers; two in the business section and one on the outskirts, carrying a full line. No dissention and prices are being maintained.

SARATOGA - Population 15000; four dealers, one or two of which I believe are listed dealers, and two of which are not. None of them carry any records or machines to amount to anything and between the four there is complaint of price cutting and dissention, and not one of them has a good word for the other, and I would

advise your company to suspend them all and establish two or three alive and energetic dealers.

SCHENECTADY - Population 45000; two dealers; two jobbers. All are well equipped and business is going along smoothly. There is no dissention and prices are being maintained.

GLOVERSVILLE - Population 20000; one jobber; one dealer. The jobber is located on the outskirts of the business section and in the retail department of his place of business he makes absolutely no show; his main efforts are to do all the retail business in Gloversville and the surrounding vicinity. Reports are also circulated that this jobber, the American Phonograph Company, while a pretty large sized jobber, does a lot of price cutting, selling three records for one dollar and giving away parts with a machine, and supplying his retail customers with records before delivering them to the dealer. This town could very easily stand one or two good dealers in addition to the one they have, for Gloversville is a prosperous little town and the Edison goods are poorly represented at present.

UTICA - Population 65000; four jobbers within a stones throw of one another and among whom exists a lot of dissention and jealousy. There are entirely too many jobbers in Utica and I would recommend putting three of them on the dealers list and taking them off the jobbers list. My reason for this is that the Edison business could be largely increased by having one jobber and four or five more good lively dealers. As it stands now the jobbers and do most of the retail business, are not merely satisfied with the

dealers and jobbers' profit, but go beyond that and cut prices right and left. The conditions are very bad.

ROME - Population 16000; eight dealers, four of whom carry a complete stock of Edison goods and their places of business look very prosperous. The other four carry from three to five hundred Edison records and one or two machines. Two of these dealers should either be compelled to carry a full list or be suspended, as they do not carry any more than one machine and only from one to three hundred records.

WATERTOWN - Population 28000; seven dealers, three of whom are carrying a complete and full list of Edison goods and from appearances are very industrious and hard working and are making a good showing. Two of the dealers have one or two machines and a few hundred Edison records in stock, the other two dealers are virtually out of business as they hardly carry any stock, and should either be suspended or compelled to carry a full line.

ODENSBURG - Population 15000. There is no representative dealer in the town. Three dealers; one of whom has been in the town for a few weeks has six phonographs and about three hundred records, the other two dealers have one phonograph each and about fifty records apiece. There ought to be one dealer compelled to carry a full line of goods, for there is room here for one or two dealers, and also room for the elimination of the two or three that are here at present.

SYRACUSE - Population 20000; one jobber; ten dealers. There are eight good dealers in the city and these are located in the business section and make a very good showing, carrying a complete stock of phonographs and records. Two are very small and should be compelled to carry a full line or be suspended. Most of these dealers carry a supply of Columbia goods. No dissention and prices are maintained.

OSWEGO - Population 23000; one jobber whose main object seems to be to control the retail business in the city. He carries a good stock of machines and records. There is one dealer who carries a full line of records and a number of machines. The other dealer in the town should be compelled to carry enough goods to qualify him as a dealer. Prices are being maintained and there is no dissention.

AUBURN - Population 35000; five dealers, three of whom are good, lively dealers carrying a full line of Edison goods. The other two dealers seem to be in business for the purpose of accommodating a few of their friends and entertaining their relatives. They should be compelled to live up to their contract and carry sufficient goods or be suspended.

GENEVA - Population 11926; two dealers, both carrying a complete stock of Edison goods and both alive and active and are taking good care of Geneva.

ROCHESTER - Population 175000; four jobbers; ten dealers. Three of the dealers are up-to-date and alive, have a full stock and are pushing the business with good results. The rest are carry-

a fairly good line of stock and are located in the residential section of the city and don't seem to show any activity or enterprise in their business. The city is well covered with Edison dealers and they all seem satisfied with the trade they are doing at this time of the year. No dissention and prices are being maintained.

NIAGARA FALLS - Population 25000; four dealers; two of whom are located in the business section and two at the Falls. They carry a full list of Edison goods and the only complaint is against a suspended dealer who has been advertising and selling Edison records for twenty five cents.

BUFFALO - Population 400000; one jobber; fourteen dealers, four of whom are hustling and up-to-date dealers and conduct the business in a very admirable way. The rest of the dealers have a fairly good stock and carry a full line of records, but they have a habit of staying at their places of business and waiting for customers to come along instead of going out and hustling for trade. Buffalo should have at least one or two good active jobbers who would treat their dealers fairly and not supply them with second hand goods, such as has been done in the past.

DUNKIRK - Population 12000; three dealers; one carries a full list of records, one of the others a few phonographs and a fair stock of records while the other has only a few records and no phonograph and he should be suspended.

JAMESTOWN - Population 25000; there are three active dealers and up-to-date business men who work as a unit to sell the Edi-

son goods and who carry a complete line of everything. They all give Jamestown very close attention and seem to be very prosperous in their business.

OLEAN - Population 10000; two dealers who carry a full list of Edison goods; have no complaints to make and seem to be doing a very good business. Prices are being maintained.

HORNELLSVILLE - Population 13000; three dealers carrying a full stock of phonographs and two of them a full list of Edison records. The other dealer has a fair stock of records and a good worker.

CORNING - Population 3000; three dealers who carry a full stock of Edison machines and records. They are all hustling for business and make a good showing. No dissention and prices being maintained.

ELMIRA - Population 38000; one jobber and one dealer. The jobber does all the jobbing and retail business in the city. The dealer is in the residential section and carries a few phonographs and a few records. Elmira can easily stand two or more good active dealers.

BINGHAMTON- Population 42000; four dealers, two of whom carry a complete stock of phonographs and records and are very active in the phonograph business. One of the others carries a full stock of Edison records and machines, but is working very hard to sell Columbia goods in preference to Edison goods. The other dealer carries a few machines and a few records, and when

questioned as to his reason for not carrying more goods stated that he did not do much business in the summer time but carried a full stock in winter. No dissention, and business good.

ONEONTO - Population 7000; six dealers in the city. One dealer has a complete list of Edison records and machines and he is very active in the sale of the Edison goods. The other dealers have one, and some possibly two, phonographs in stock which they keep to accomodate their customers; the music stores simply keep them to use as a swap in the purchase of an organ or piano, and the carriage and harness stores keep them to swap for carriages and harness. I would advise the suspension of at least five of these dealers and the establishment of one or two exclusive phonograph dealers.

COBLESKILL - Population 3000; one dealer who is carrying three phonographs and about eight hundred records and he is quite active in that section of the town and does most of his business by travelling around the surrounding section selling records among the farmers.

The general condition of things in the State of New York seems to show that where there is more than one or two jobbers in a city there is immediate dissention and trouble.

If you take the eastern part of New York State you will see that the dealers are a very inactive lot compared to the southwestern section. The section covered by W. D. Andrews, Syracuse jobber, seems to be well taken care of, as does also the sec-

tion taken care of by the Elmira Arms Company. Both Andrews and the Elmira Arms Company keep their dealers well stocked up and seem to select people to do business who make the phonograph business their leader. The Andrews dealers are all more or less full listed Columbia dealers; as for the Victor goods, there is very little to be seen of them outside of Rochester, Buffalo, Albany and Syracuse. In the northwestern part of the state one-half of the people don't know what a Victor machine is, and the only machine they have ever heard of is the Edison.

It seems surprising that a city as large as Buffalo with a population of four hundred thousand or more, with a lot of surrounding territory, should have one jobber and a city like Utica, with a population of sixty thousand should have four and Rochester, with a population of a hundred and seventy thousand should have four jobbers also. The trouble seems to be that the small towns have the most jobbers. There are two jobbers for Schenectady with a population of forty five thousand where you already have one in Albany and one in Gloversville - in other words, four jobbers within a radius of twenty miles, and Utica with ~~two~~ four more, making eight jobbers within an hours time.

Take the western part of the state and you will find P. A. Powers, now ~~with~~ the Loud Piano Company, W. D. Andrews and the Elmira Arms Company who cover everything north, south and west of Syracuse, and in this section you find the most active dealers and people who are making a specialty of the phonograph business, whereas in the other sections mentioned you will find people in the clothing, business, music business, sporting goods business and

and dry goods business carrying the phonograph goods as a side line.

I believe this condition is brought about on account of competition among the jobbers who are establishing anybody in order to do business instead of establishing ~~no one~~ but bona fide phonograph people.

If there were less jobbers in the districts mentioned you would find that the jobber, provided he was given a certain radius of territory, would do more business than all the jobbers in that territory at the present time and would eventually establish a class of dealers who would be a credit to the phonograph business instead of a draw back, as it is now.

One reason for the depression of the business in the state at the present time is caused by the non-fulfillment of the orders, as most of the jobbers are from three to seven hundred numbers short and have been unable to fill them for some months past. Through this suit with the New York Phonograph Company, the delay in the April and May records and the ~~set~~^{cut} out in June, I find that the Columbia Company are very active in the field in New York State in putting in the Columbia goods on consignment. What this condition will bring about nothing but the future will tell.

I would advise by all means to keep the jobber equipped with a complete list so that he will not be handicapped in supplying the dealer and allow the dealer to fill in with Columbia goods.

As to the New York Company's litigation, I don't believe it has had any effect on the trade and I am quite positive that it will not interfere with the sale of the goods. You must expect a depression in the sales at this time of the year, as there are a

lot of people who close their homes for the summer, and also a lot of dealers who disregard the selling of phonographs and records in the summer time and take up the sale of sporting goods and supplies.

Should there be anything in this report that is not clear enough I will ~~take my notes and prepare same to~~ give you such *further* information as you may desire.

Trusting that this report is satisfactory, I am,

Yours very truly,

A handwritten signature, possibly "J. H. [unclear]", written in dark ink. The signature is somewhat stylized and difficult to decipher.

June 18, 1906.

C. H. Wilson, Esq.,
Manager of Sales,
New York.

Dear Sir:

I duly received your letter of the 7th, on the subject matter of Alternating Current Slot Machines. I had quite a long talk this morning with Mr. Weber on this general subject, and I find that the great trouble has been that we cannot secure satisfactory motors from the manufacturers. As a consequence, I feel that we should discontinue taking any further orders for the present, as I telephoned you this morning. I understood you to say, however, that you have not been taking any orders, but I now wish it to be thoroughly understood by you and your subordinates, so that there will be no misunderstanding. We must get the motor standardized before we can do anything, and the only thing I can see to do now is to try and get rid of the orders that we have on our books. The next time you are here I want to take up and talk this over with Mr. Weber so that we can come to some definite understanding.

Yours very truly,

WB2/IWW

President.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. H. SCHREIBER, SECRETARY,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.
A. WECSTEC,
SECRETARY.

TRADE
Thomas A. Edison
MARK.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"LYMOTIC, NEW YORK"

Orange, N. J.

June 19, 1906.

W. E. Gilmore, Esq.,
President,

Orange, N. J.

Dear Sir:

I submit herewith statement of the condition of this company for the fiscal year ending February 28, 1906. There will be some changes in these figures, as we still have some adjusting entries to make; the adjustments, however, will be in our favor, as the profits from our Chicago branch are to be added to the assets over liabilities.

ASSETS

| | |
|--|------------------|
| Real Estate Investments and Plant, including Machinery & Tools and Furniture & Fixtures, | \$491,064.97 |
| Merchandise & Consignment Accounts, | 713,414.19 |
| Cash and Accounts & Notes Receivable, | 829,527.73 |
| Contracts, Patents and Patent Rights, also stock in other companies, | 161,680.62 |
| Miscellaneous, | <u>17,992.86</u> |
| Total, | \$2,213,680.37 |

LIABILITIES

| | |
|--------------------------------|------------------|
| Accounts Payable, | <u>81,808.33</u> |
| Total Assets over Liabilities, | \$2,131,872.04. |

Yours very truly,

Agveste

Secretary.

Doc. File 1906
Phonograph

(COPY)

Legal Department.

Orange, N.J. June 28, 1906.

Chas. L. Buckingham, Esq.,
38 Park Row, New York, N.Y.

Dear Mr. Buckingham:-

Replying to your favor of the 18th inst., I beg to submit herewith a complete list of the patents under which the National Phonograph Company is operating for the manufacture and sale of phonographs and records.

-PHONOGRAPH PATENTS -

- No. 570,378, Oct. 27, 1896, Frank L. Capps- Spring Motor for Phonographs This Spring Motor is used on all Spring Motor phonographs except the Gem.
- No. 604,740, May 31, 1898, Thomas A. Edison- Governor for Motors. This patent covers the governor used with the Home & Standard phonographs.
- No. 652,457, June 26, 1900, Thomas A. Edison- Phonograph- reissued Sept. 25, 1900 as reissue No. 11,857. This patent covers the model C reproducer.
- No. 690,069, Dec. 31, 1901, E. H. Mobley- Phonograph Reproducer- This patent covers the special form of floating weight used in the model C reproducer.
- No. 744,286, Nov. 17, 1903, Peter Weber- Phonograph Recorder and Reproducer. This is a detail patent used in our model C reproducer.

From B 10447

C.L.Buckingham--2--6/28/06

- No.744,267,Nov.17,1903, Peter Weber- Phonograph Repeating Mechanism. This patent covers a repeating attachment which is applied only to phonographs made for the International Correspondence School, Scranton, Pa.
- No.772,485,Oct.18,1904, Weber and Hibbard- Phonograph- This patent covers the business phonograph and no others.
- No.790,542,May 23,1905, Peter Weber - Phonograph Recorder- This patent covers a detail used in our recorders,except those used with the business phonograph.
- No.793,442,June 27,1905, C.L.Hibbard- Sound Modifier- This patent covers an attachment for reducing the sound of phonograph reproducers and is used with business machines only.
- No.798,087,Aug.29,1905, E.L.Aiken- Repeating Attachment for Phonographs- This device is sold as an attachment for the various types of slot and amusement phonographs.
- No.798,478,Aug.29,1905, E.L.Aiken- Means for Sustaining Phonograph Motors- This is an important patent for eliminating the humming sound of the motor and is used on all machines except the Gem.
- No.800,890,Oct.3,1905, Peter Weber- Phonographic Recorder- This is an important patent and covers in fairly broad terms all of our recorders.
- No.802,212,Oct.17,1905, C.L.Hibbard- Phonograph Recorder- This patent is at present used only in recorders for the business phonograph but is capable of being used with others as it covers the means for securing the stylus to the diaphragm.
- No.811,010,Jan.30,1906, Peter Weber- Phonograph Speed Index- This speed indicator is used only on the Triumph phonograph.
- No.820,165,May 8,1906, E.L.Aiken- Repeating Attachment for Phonographs- The device of this patent is sold as an attachment for all kinds of slot and amusement phonographs.
- No.821,071, May 22,1906, Peter Weber- Feed Nut Spring Guard- This guard is placed on the Home, Triumph and Business phonographs.

C.L.Buckingham--3--6/28/06

-PHONOGRAPH RECORD PATENTS -

No. 782,375, Feb. 14, 1905, J.W. Aylsworth- Composition for Making Duplicate Phonograph Records- This is a very broad patent covering all of our records and is the patent upon which we are suing the Graphophone Company as it also covers their records.

-SHAVING MACHINE PATENTS-

No. 796,657, Aug. 8, 1905, J.P. Ott- Machine for Shaving Sound Records.

-PROCESS PATENTS'-

No. 484,582, Oct. 18, 1892, Thomas A. Edison- Process of Duplicating Phonograms- This patent covers the vacuous deposit process by which all of our records, molds or matrices are made.

No. 667,662, Feb. 5, 1901, Thomas A. Edison- Process of Duplicating Phonograph Records- This is a patent whose broad claims for casting phonograph records were held invalid by Judge Platt.

No. 683,615, Oct. 1, 1901, Miller & Aylsworth- Method of Duplicating Phonograph Records- This important patent covers the dipping process used for producing all of our records, and we believe it to also cover the method practiced by the Graphophone Company, and are suing this Company for infringement, the suit having been brought in the U.S. Circuit Court, Southern District of West Virginia.

No. 713,209, Nov. 11, 1902, Thomas A. Edison- Process of Duplicating Phonograms- This is the patent upon which we unsuccessfully sued the Lambert Company at Chicago, and the Graphophone Company at Hartford.

No. 713,863, Nov. 18, 1902, Thomas A. Edison- Process of Coating Phonograph Records- This patent broadly covers the particular method of vacuous deposit used in making our record matrices, namely the use of electric current in the form of a silent brush discharge.

No. 788,927, May 2, 1905, W.H. Miller- Method of Tuning Phonograph Cylinders- This method is used in our department for making master records.

-APPARATUS PATENTS-

No. 685,676, Oct. 1, 1901, Aylsworth & Miller- Apparatus for Duplicating Phonograph Records- This patent is a companion

C.L.Buckingham--4--6/28/06

to process patent No.683,615, and covers practically the same invention. We employ this apparatus in making our records and are suing the Graphophone Company in West Virginia for infringement.

- No.698,429, Apr.29,1902, Aylsworth & Miller- Dipping Tank for Phonographic Duplication Process- This patent is for the particular form of dipping tank used for containing the melted wax into which the molds are dipped.
- No.764,196, July 5,1904, Miller & Aylsworth-Edging Machine for Phonograph Records- These machines are used for trimming the ends of the records after they have been removed from the molds and have hardened.
- No.767,216, Aug.9,1904, Thomas A.Edison- Apparatus for Vacuously Depositing Metals- This apparatus is used for producing the vacuous deposit by which the record molds are produced.
- No.813,514, Feb.27,1906, J.F.Ott- Apparatus for Applying Pigment to engraved ends of Phonograph Records- All of our records are acted upon by this apparatus for applying the white letters thereto.
- No.817,831, Apr.17,1906, E.L.Aiken- Molding Apparatus- This apparatus is used for automatically raising the molds from the dipping tank.

There are a few other patents whose dates appear upon the patent plates of the phonographs and upon the record carton labels, but they are not used at the present time.

I remain,

Very truly yours,
FRANK L. DYER H

DH/MJL

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHERERHORN,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.
A. WESTICE,
SECRETARY.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 MADISON AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

TRADE
Mark
Thomas A. Edison

IN REPLYING ADDRESS THE COMPANY AND
THE INDIVIDUAL AND NOT FROM THESE HEADQUARTERS

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

July 16, 1906.

Mr. THOMAS A. Edison,
Orange, N. J.

Dear Sir:

The Music Trades, one of the leading piano trade publications, issues each year a special Christmas number. They are desirous of getting an interview with you for use in this issue. Can you spare the time to meet their representative some day next week? If so, have you any choice of days and time? We are advertising somewhat extensively in this publication for the purpose of interesting Dealers in the Phonograph and the questions they would ask would bear almost entirely upon the Phonograph.

Very truly yours,

L. C. McChesney
Manager, Advertising Department.

*Answered
July 18-1906*

Orange, N. J.

*Will be away next week
at Cement works but probably
be home next Saturday*

W. E. GILMORE,
PRESIDENT GENERAL MANAGER,
J. R. SCHERMEHORN,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER,
A. WESTEE,
SECRETARY

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

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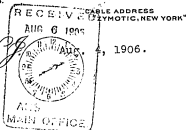
LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

TRADE
Thomas A. Edison.
MARK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE DETAILS.

ADDRESS YOUR REPLY TO

Orange, N. J.



Mr. Edison-Gilmore--Dolbeer--Wilson.

Dear Sir:

Our advertisement will appear in August and September issues as per the list given below. The copy to be as per proof enclosed. This is the first order placed with the Galkins & Holden agency and the first copy prepared by them.

AUGUST

| | | | |
|----------------------------|----------|--------|--------|
| Collier's Weekly-18 | 1/4 page | 360.00 | 450.00 |
| Saturday Evening Post-25 | 1/4 page | | |
| Associated Sunday Morn.-26 | 1 col. | 364.20 | |

SEPTEMBER

| | | | |
|----------------------|-----------------|-----------------|-----------------|
| Everybody's | 1 page | 425.00 | |
| McClure's | 1 page | | 374.40 |
| Success | 1 magazine page | 380.80 | 500.00 |
| Hunsey's | 1 page | 170.00 | |
| Red Book | 1 page | 226.80 | |
| American Illustrated | 1 page | | |
| | | 1,986.80 | 1,324.40 |
| | | 92.68 | |
| 10% | | <u>2,119.48</u> | <u>2,119.48</u> |
| | | | <u>3,443.88</u> |

Very truly yours,

NATIONAL PHONOGRAPH CO.,

Advertising Department,
L. C. McChesney,

Manager.

[ENCLOSURE]

Aug. 4, 1906

WHAT you want is your kind of music. It may be classical or it may be "rag-time." It may be the "hit" of the latest musical comedy or it may be a selection from "Faust."

With the



Edison Improved Phonograph

you can have your kind of music and your friends can have their kind. This wonderful music-maker has no single specialty. It is a versatile entertainer. It produces, with fidelity, the songs of all singers; the music of the masters; the old tunes as well as the popular airs of the day.

"The American Nights Entertainment," a booklet which will suggest many ways of making home more delightful than the club, which will help entertain friends, which will give ideas for money-making programs, sent free on request.

National Phonograph Co.
Lakeside Ave., Orange, N. J.

New York London Paris Berlin Brussels Sydney Mexico City

Contributed by
Mr. Howard Miller
1923-12-23

THE TALKING

MACHINE WORLD.

Aug 15th - 1906

787-9
17-2385
A-242 39

Edison Jobbers Entertained by National Phonograph Co.

At a Series of Entertainments Winding up With Grand Banquet at The Waldorf-Astoria Hotel. An Event That Will Ever be Remembered by Those Who Had the Privilege of Participating.

For two years the National Phonograph Co., Orange, N. J., have contemplated meeting their Edison jobbers personally, the event to take the form of an entertainment and an exchange of social pleasures in New York. The scope and plan for such an occasion would necessarily involve an enormous amount of time to work out the details, the expense being a secondary consideration. As in everything they undertake and stand for, the company are strangers to half-way measure, and this was no exception. Their chiefs of departments—executive, scientific, mechanical, artistic, etc.—co-operating with the various officials, bent every effort to make it a success, and that they are each and every one

less trying, but granting good humor.

A remarkable fact is not a man failed to put a function was spun off was never lacking from July 18, to the evening of which the incidents joined in chronological order.

July 17-19 was a notable machine business, as opposed with pleasure by the generous hospitality, hospitality evinced by the in their entertainment of

the request with great

whole time was that an appearance as such he reel. A full count the morning of Tuesday, the succeeding Friday, of chief import are subject to the company week in the talking machine business, as opposed with pleasure by the generous hospitality, hospitality evinced by the in their entertainment of

the first, the company worked hard to make their jobbers thoroughly at home, and in saying that they succeeded admirably is but feebly expressing the universal sentiment of their delighted guests. E. A. Link, of the Kipp-Link Phonograph Co., Indianapolis, Ind., was the first to register at the Edison headquarters in the Waldorf-Astoria Hotel, where Room 111 was used for the registration bureau, with the Myrtle and East rooms, facing Fifth avenue, and 24th street, for reception purposes, and where every facility for attending to correspondence and business, telephones, commercial phonographs, typewriters, etc., were furnished gratis.

By the following morning 200 jobbers had registered and were assigned quarters, free of cost, in the hotel. Each was equipped with tickets for entertainments, dinners and the final banquet, and a handsome badge, solid gold, and enamel work, a miniature reproduction of a cylinder record, bearing date of 1877 (that of the first phonograph invented) and the words "Edison, 1866," gold lettering on blue enamel center—a pretty and striking design that was warmly praised.

During the afternoon an informal meeting of a number of leading members of the Central States Talking Machine Jobbers' Association and the Eastern Talking Machine Jobbers' Association was held to arrange for the presentation of the souvenirs to Thomas A. Edison and to Wm. B. Gilmore, president and general manager of the National Phonograph Co. It was decided that W. D. Andrews, Syracuse, N. Y., president of the Eastern body, would present the gift to Mr. Edison, and George Ives, of George Ives & Co., Cincinnati, of the Central States organization, would



WM. B. GILMORE, PRESIDENT AND GENERAL MANAGER, NATIONAL PHONOGRAPH CO.

render like service toward Mr. Gilmore. In connection with these two beautiful and entirely appropriate expressions of the good-will of the jobbers of the United States and Canada toward him, however, it may be said that the idea originated with C. V. Henkel, president and general manager of the Douglas Phonograph Co., New York. The committee acting with him were W. D. Andrews, P. A. Powers, Buffalo, N. Y.; R. P. Taft, president Eastern Talking Machine Co., Boston, Mass., and L. C. McCreel, of McCreel Bros., Milwaukee, Wis. Each jobber was requested to contribute \$10 toward a fund for the purpose, and no difficulty was encountered in obtaining the desired amount, excepting the occasional slow responses that made the aggressive chairman a trifle tired. The souvenir intended for Mr. Edison was a solid gold record 22-carat fine, standard size, on which was engraved a congratulatory address, a conception of



THOMAS ALVA EDISON.

PHOTOCOPY] settled to a wreath of bay leaves and laurel that one of their guests will gaily say. The bust of preparing and adhering to the extraordinary programme employed for four days last month fell upon the broad shoulders of F. K. Dotterer, and he carried the burden without an outward sign of weariness from beginning to end when he was literally showered with congratulations by the guests and his company colleagues. President Gilmore established himself in the personal affections and esteem of every last man—he met them all. Of course, Thomas A. Edison never ceased to be the center of attraction wherever he was present, which was at nearly everything of note transpiring, constantly surrounded by an ever-changing group of eager questioners and respectful listeners. He was conceded to be a wonderful personality, and the anxiety to be photographed in his company was general, Mr. Edison never evading what must have been, here or

was equipped with tickets for entertainments, dinners and the final banquet, and a handsome badge, solid gold, and enamel work, a miniature reproduction of a cylinder record, bearing date of 1877 (that of the first phonograph invented) and the words "Edison, 1866," gold lettering on blue enamel center—a pretty and striking design that was warmly praised. During the afternoon an informal meeting of a number of leading members of the Central States Talking Machine Jobbers' Association and the Eastern Talking Machine Jobbers' Association was held to arrange for the presentation of the souvenirs to Thomas A. Edison and to Wm. B. Gilmore, president and general manager of the National Phonograph Co. It was decided that W. D. Andrews, Syracuse, N. Y., president of the Eastern body, would present the gift to Mr. Edison, and George Ives, of George Ives & Co., Cincinnati, of the Central States organization, would



WM. D. ANDREWS, SECRETARY AND GENERAL MANAGER, NATIONAL PHONOGRAPH CO.

Victor H. Ruple, New York. A mammoth sterling silver loving-cup, standing over two feet high, exclusive of base, and holding at least three gallons, was designed for Mr. Gilmore, the idea having originated with Mr. Hensel. Both of the recipients were kept "in the dark" regarding their gift, consequently the surprise and pleasure manifested was doubted when the formal presentation took place.

The Visit to the Factory at Orange.

The morning of the 18th was put down on the programme of F. K. Dobbler, chairman of Hater-tainment, for the official "opening of the hall." Promptly at 9.30 Chairman Peltzer, of the com-



L. C. McWHINNEY, MANAGER ADVERTISING DEPARTMENT, NATIONAL PHONOGRAPH CO.

mittee on transportation, with his able assistant, got everybody—500 by count—aboard nine large motor cars, and they bowled merrily down Fifth avenue toward the 23d street ferry depot of the Erie Railroad. A histoscope picture was taken of the party in passing, beside snap-photos of



WILLIAM C. ORIN, MANAGER JORDAN COMMERCIAL SERVICE, NATIONAL PHONOGRAPH CO.

Here, a special train awaited the visitors on the Jersey side, and Orange, N. J., the seat of the Edison Phonograph Works, and plant of the National Phonograph Co. was reached by 11. Then, in the care of Peter Weber, general superintendent and chairman of the factory committee, and his able heads of departments, the guests



F. K. DOBBLER, MANAGER CREDIT DEPARTMENT, NATIONAL PHONOGRAPH CO.

were divided into manageable squads and every part of this vast and interesting hive of the phonograph industry was visited. To the great majority such a plant was a veritable revelation, and their knowledge of the extent and paramount



WALTER WEBER, MANAGER FASHION DEPARTMENT, NATIONAL PHONOGRAPH CO.

importance of the Retail business was for the first time received at first hand, surprise being succeeded by delightful satisfaction as each department presented some phase of manufacturing

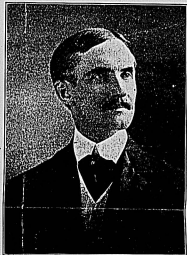


C. A. OSBORNE, ASSISTANT CREDIT DEPARTMENT, NATIONAL PHONOGRAPH CO.

machines and records of which they were in total ignorance.

Visitors Enjoy Elaborate Luncheon.

At noon luncheon was served in the new office building, a massive five-story and basement concrete structure, that was hurried to completion for this express purpose. It was an elaborate coliseum, smoothly and admirably handled. Flags decorated the room, and the beautiful table was adorned with huge clusters of roses. Previous to "pitching in," if such a term may be allowed, President Gilmore had conducted Thomas A. Edison into the improvised dining hall, where he held a reception. Every one was introduced to the



C. H. WILSON, GENERAL SALES MANAGER, NATIONAL PHONOGRAPH CO.

distinguished gentleman and world-wide celebrity, whose unaffected and simple, yet cordial manner of greeting was commented on by all. Considering his individual services to the scientific and industrial world, not to mention his wonderful discoveries and ingenious solution of vexing problems in applied chemistry and mechanics—at



WILLIAM D. EDSON, LEGAL DEPARTMENT, NATIONAL PHONOGRAPH CO.

tunements that usually have a tendency to surround the majority of men, with an atmosphere far from geniality—Mr. Edson's personality, by contrast, was found to be most charming. Generally he is so absorbed with original investigations that little time can be spared for the exercise of social amenities when at the works. On the occasion of the jobbers' visit, however, he was

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER,
J. R. SCHERERFROHN,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER,
A. WESTICE,
SECRETARY.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

TRADE
Thomas A. Edison
MARK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

C. H. W.

ADDRESS YOUR REPLY TO

New York,

CABLE ADDRESS
"SYNOPTIC, NEW YORK"

Sept. 15, 1906

-DEALERS' EXCHANGE PROPOSITION-

Dear Sirs;--

Beginning October 1st, and until October 31st, inclusive, authorized EDISON Dealers may return for exchange, surplus stock, outout and defective EDISON Standard (not GRAND OPERA or CONCERT) records, under the following conditions;

1st. All records must be returned to the National Phonograph Company, Orange, N.J.

2d. Transportation charges MUST be PREPAID.

3d. Records must be carefully packed in cases, barrels or boxes, and each package must be plainly marked on outside with name and address of the shipper, and the quantity of surplus, outout or defective records contained therein. Where there is more than one package in shipment, they must be numbered consecutively from one up, and on each individual package must also be marked the total number of packages in complete shipment.

4th. Inside of each case must be placed a packing slip containing shipper's name and address, the number of records contained therein, and whether they are surplus, outouts or defective.

5th. Immediately shipment is made a letter must be sent us addressed to the National Phonograph Company, Exchange Department, Orange, N.J., advising the total number of each kind (surplus, outout and defective) records returned, stipulating the number of cases in complete shipment and what each particular case, in numerical order, contains. A prepaid Bill-of-Lading must also be enclosed with this letter.

You must also fill in on triplicate Exchange Certificate, furnished herewith, the name and address of the jobber through whom you want this exchange transaction handled.

6th. As soon as possible after your returned records are received, they will be carefully counted and inspected, and on the Exchange Certificate we will fill in the quantity of Standard records for which you are entitled to other ones. In such exchange, and return one of them to you, send one to the jobber whose name you have written

thereon, and retain one for our own files.

7th. Upon receipt of Exchange Certificate, properly filled in and endorsed by us, you must immediately forward it to the jobber, whose name you have indicated thereon, and with it enclose an order for at least double the quantity of new records.

8th. The Jobber to whom you send your Exchange Certificate and order for at least double the quantity, will allow you credit for records returned, as called for on certificate, at the same time he makes shipment of your order.

9th. Terms of payment for the difference between records returned and those ordered, is left entirely with the jobber.

10th. Only genuine EDISON Standard (not GRAND OPERA or CONCERT) records can be returned, and they must be in EDISON CARTONS. Broken, cracked, worn-out or other make records will not be accepted under any conditions.

11th. Grand Opera or Concert records are not included in this proposition.

12th. No records can be returned through jobbers; they MUST ALL be shipped to the National Phonograph Company, Orange, N.J.

13th. No deduction for records returned can be made from any invoice or statement rendered prior to or during this exchange, nor until CREDIT has been allowed by the jobber.

14th. All records returned will be given careful examination by our inspectors, and should any be discovered that are not subject to credit under conditions outlined, or should there be any shortage in count, our decision as to the quantity to be credited must be final.

15th. Any records returned after October 6th. will not be accepted, but returned at your expense.

16th. In cases where a dealer has signed AGREEMENT and purchased records through us only, this Exchange Proposition will be handled by us direct along the same lines and under same terms, conditions, stipulations, etc., as where they are handled through jobbers; that is, records MUST be returned to us direct, and on the Exchange Certificate our name must be filled in instead of the jobber's. All other instructions remaining the same.

IMPORTANT. If all the Terms, Conditions and Stipulations contained in this proposition are not fully agreed to and carried out by the Dealer, we reserve the right to reject any and all records he may return and to hold them subject to his order, or return them to him at our option.

Yours very truly,

MANAGER OF SALES

So the printed one tropical, my copy for
letter, my for ~~exchange copy~~ letters, my for exchange.

-CERTIFICATE OF EXCHANGE-
Issued by
NATIONAL PHONOGRAPH COMPANY
Orange, N.J.

Covering records returned by

Name *Belmont* *with full name & address* City
County State

Redeemable by
Jobber *States will fill in here name address of jobber through whom he desires exchange handled.* City State

National Phon. Co. will fill in here.

Orange, N.J., Oct. ----1906

..... Jobber

This is to certify that City State
Has ^{returned to us} returned to us under exchange proposition a total of ^{records to be filled in here}
surplus, defective and out-out records, for which they ^{he} are entitled to
an equal number of EDISON Standard records in even exchange, provided
they agree to comply with all of the terms, conditions and stipula-
tions made in "Dealers' Exchange Proposition", as contained in our
letter of

Signed

Dated October1906.

NOTE. After filling in above dotted lines, all three copies
must be returned by dealer to the National Phonograph Company, who
after filling in below the dotted line, will return dealer's copy to
dealer, send jobber's copy to jobber, and retain National Company's
copy for their files.

W. C. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. H. SCHNEIDERBOHM,
ASSISTANT GENERAL MANAGER.

TRADE
Thomas A. Edison
MARK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

O. H. W.

Phon. - Lalt

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.
31 UNION SQUARE, NEW YORK.

LONDON.
PARIS.
BERLIN.
BRUSSELS.
SYDNEY.
MEXICO CITY.

ADDRESS YOUR REPLY TO

New York,

CABLE ADDRESS
"TYMOTIC, NEW YORK"

Sept. 15, 1906

-JOBBER'S EXCHANGE PROPOSITION-

Dear Sirs;--

Beginning ¹⁹⁰⁶ October 1st, and until October 6th, ¹⁹⁰⁶ inclusive, authorized EDISON Jobbers may return, for exchange, surplus stock, out-out and defective EDISON Standard (not Grand Opera or Concert) records, under the following conditions;

- 1st. Surplus, out-out or defective records must be packed in separate cases, barrels or boxes, and each package must be plainly marked with the shipper's name and address, number of records contained therein, and whether they are surplus, out-outs or defective. Where there is more than one package in a shipment, they must be numbered consecutively from one up, and on each individual package must also be marked the total number of packages in the complete shipment.
- 2d. Inside of each case must be placed a packing slip containing shipper's name and address, number of records, and whether they are surplus, out-outs or defective.
- 3d. All shipments must be plainly addressed and made to the National Phonograph Company, Orange, N.J., and transportation charges must be prepaid.
- 4th. Immediately shipment is made, a letter must be sent us addressed to "National Phonograph Co., Exchange Dept., Orange, N.J.," advising the total number of each kind of records returned, stipulating the number of cases, and what each particular case, in numerical order, contains.
A prepaid Bill-of-Lading covering shipment must also be enclosed.
- 5th. Within 60 days from October 1st, twice the quantity of records returned, either by a jobber direct, or by a dealer to be exchanged through a jobber (see copy of letter to dealers enclosed), must be purchased by the jobber, or credit for those returned by the jobber will not be allowed.

Deposited for credit only when the goods are returned.

6th. Credit will be given the jobbers for records returned to us direct by dealers immediately an exchange certificate is sent to the dealer. Credit will be given the jobber for such records as he returns direct, just as soon as we have shipped and invoiced to him double the quantity returned.

7th. All shipments made from October 1st. to November 30th, inclusive, whether or orders received prior to or from October 1st. to November 30th, inclusive, will apply against records returned, but jobbers must send us sufficient orders to enable us to make shipment of double the quantity during that time.

8th. Only genuine EDISON Standard (not GRAND OPERA or CONCERT) records can be returned and they MUST be in EDISON cartons. Broken, cracked or out-of-tune records will not be accepted under any conditions.

9th. Grand Opera, or Concert records are not included in this proposition.

10th. No deduction for records returned can be made from invoice or statement rendered prior to or during this exchange, nor until Credit Bill covering the returned records has been rendered by us.

11th. All records returned will be given a careful examination by our inspectors, and should any be discovered that are not subject to credit under conditions outlined, or should there be any shortage in count, our decision as to the quantity to be credited must be *accepted as* final.

12th. Any records returned after October 6th. will not be accepted, but returned at your expense.

IMPORTANT. If all the Terms, Conditions and Stipulations contained in this proposition are not fully agreed to and carried out by the Jobber, we reserve the right to reject any and all records he may return and to hold them subject to his order, or return them to him at our option.

Yours very truly,

GENERAL SALES MANAGER

Legal Department.

M. P. - Legal

Telephone 400 Orange.
"Cable Address: 'Legal Orange'"

*Thomas A. Edison.
National Phonograph Co.
Edison Manufacturing Co.
Bates Manufacturing Co.
Edison Storage Battery Co.*

*Frank L. Dyer, Counsel
DeWitt H. Hollister, Assistant Counsel*

Orange, N.J.

RECEIVED Sept. 17, 1906

SEP 17 1906

MAILED
SEP 17 1906

Wm. E. Gilmore, Esq.,
Pres't - National Phonograph Co.,
Orange, N.J.

Dear Sir:-

The bill for the amendment of the Copyright Act is to be considered by Congress during the coming session and it is generally rumored that a new law of some sort will pass, although probably not as originally framed. You are familiar with the general purpose of the proposed Act and know that it will prevent us from making use of copyrighted publications on phonograph records. I understand, however, that you are prepared to meet the situation when it arises.

In this connection it occurs to me that possibly the bill should be amended to protect us more effectively in connection with our moving picture business. As the law now stands, we are protected only to the extent of a single photograph, and consequently I have had to obtain protection on a photograph in each scene, which sometimes amounts to a dozen photographs for each film. This is expensive and

No. 2 - Wm. E. Gilmore, Esq.

requires time, and it is not absolutely certain that the protection so obtained is perfectly secure, altho in my opinion it is. It also occurs to me that it might be a good thing to endeavor to have the law amended in some way so as to permit a moving picture film to be protected more effectively than can now be done.

Another point is that under the present law, an infringement of a copyrighted photograph must be substantially a copy or print therefrom. In other words, in a case for example, of the "Great Train Robbery", we could, under the present law, prevent Lubin from making a duplicate print from one of our films, but we could not probably prevent him from separately posing characters in the same positions and taking original photographs thereof. Would you care to see the law amended so as to protect not only the exact photographs, but also the theme or dramatic conception embodied in the photographs? I think that this could be done if you considered it advisable, so that the protection afforded us would be substantially similar to that given dramatists at the present time in connection with dramatic works.

I wish you would consider these points and let me know what, if anything, you wish to have done, so that I can properly prepare myself, if necessary.

Yours very truly,

Frank L. Ryan

FLD/ARK.

MEMORANDUM

COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.

MAIN OFFICE, ORANGE, N. J.
NEW YORK OFFICE, 31 UNION SQUARE
CHICAGO OFFICE, 304 WABASH AVE.
BUFFALO OFFICE, 656 ELLICOTT SQUARE



*Rec'd
10/24/06
My*

Orange, N. J. Oct. 22, '06.

Mr. W. E. Gilmore, Pres.
Dear Sir:-

We quote you an extract from a letter from one of our District Managers and also attach you a carbon copy of our reply.

"I had a very hard time closing this installation, and Mr. Burt made the remark that he heard from a friend of his that the National Phonograph Company dictates a great deal of their correspondence to stenographers. He would like to know above all why the National Phonograph Company do not use the phonograph for handling all of their correspondence."

Yours truly,

Alvan C. Surand

Mgr.

E.E.P.

[ENCLOSURE]

Orange, N. J. Oct. 22, '06.

Mr. A. A. Schmidt, Dist. Mgr.
Buffalo Office.

Dear Sir:-

Referring to the third paragraph of your letter of the 20th inst. regarding the use of the commercial machines in the offices of the National Phonograph Co., we would say that up to the present time we have only been able to install about 40 machines in the different departments owing to the different arrangements which have existed in our offices, but however, we are assured by our president Mr. Gilmore that as soon as we occupy our new offices at #10 Fifth Ave. and also our new building at Orange, N. J. that the Business Phonograph will be generally installed in all departments and furthermore that we shall have a central transcribing station. The crowded conditions of our office prevented this heretofore. Should such a question arise with you again, you can say with all sincerity that the Business Phonograph is installed throughout our offices in the proper manner.

Yours truly,

Mgr.

E.E.P.

Form 516

NATIONAL PHONOGRAPH COMPANY.

Oct. 24, 1906.

W. C. Durand, Esq.,

Manager Commercial Department,

Orange, N. J.

Dear Sir:

I have your letter of the 22nd. The reply that you have made to Mr. Schmidt is correct. I do not want to increase the Business phonographs at the moment, but just as soon as we do get into the new New York office and the building here at Orange I will do the necessary about letter-writing by means of the phonograph. I have already advised you to this effect.

Yours very truly,

WEG/IWW

President.

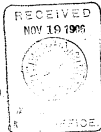
MEMORANDUM

COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.

MAIN OFFICE, ORANGE, N. J.
BOSTON OFFICE, 702 P. O. SQUARE BUILDING
BUFFALO OFFICE, 955 ELLICOTT SQUARE
CHICAGO OFFICE, 304 WABASH AVE.
NEW YORK OFFICE, 31 UNION SQUARE
PITTSBURG OFFICE, ROOMS 203-204 MACHENEY BLDG.
PHILADELPHIA OFFICE, 1117 NORTH AMERICAN BLDG.



Orange, Nov. 17, 1906.



Books
Mr. W. E. Gilmore, Pres't.,

Dear Sir:

I think you should note the circular letters which the Sterling Debenture Corporation are sending out bearing on the Telephones.

Their latest piece of literature entitled "Mantle of Edison claimed for Danish Inventor" is in line with all of their work in which they refer to Mr. Edison's work in comparison with their own, in order to make sales.

Yours respectfully,

H. C. D.

Alfred C. Brand
Mgr.

Mr. Edison
not to be taken
MAS

[ENCLOSURE]

Reprinted from the New Orleans "Picayune" of August 5, 1906.

Mantle of Edison Claimed for Danish Inventor

**Poulsen's Discoveries Have Given Him
Front Rank Among Electrical Engineers**

Two Revolutionary Inventions, Besides the Telegraph, Already to His Credit

"It is one of those things which open the eyes of all scientists."

This is what Sir William Preece said, after seeing a demonstration of Valdemar Poulsen's "speaking telephone." Since this epoch-making invention Poulsen has kept steadily at work, and now, at the age of thirty, he ranks among the most brilliant electrical engineers of the day. He has discovered principles in electro-magnetism which have turned upside down what the text-books say on the subject, and scientists everywhere follow his researches with the closest attention.

Poulsen is a native of Denmark, born in Copenhagen, in 1874. His early education was received in the public schools of that city, after which he passed through the best European technical schools.

One of the inventor's earliest successes was in connection with the laying of a submarine telephone. About four or five years ago the German Government applied to the foremost scientists of Germany for a submarine telephone, but they were

unable to produce anything satisfactory. Poulsen was then appealed to, and succeeded in laying a cable by which it was possible to telephone under water a distance of twenty-five miles.

The inventor owes a good deal to the generosity of the late S. Lemvig-Fog, a Copenhagen financier. Some years ago Mr. Fog gave Poulsen \$50,000 with which to carry on his experiments, and to-day he has one of the best equipped laboratories in the world, in which he conducts his researches, assisted by a large staff of trained engineers. For many years Poulsen has been associated with a Mr. Peterson, a collegian and one of his closest personal friends. Mr. Peterson is possessed of a keen mechanical bent and works out the theories which the active mind of Poulsen evolves. He, too, is young, being only thirty-one years old.

**Backed by American
Capital**

In the United States Poulsen's name is familiar mainly as

[ENCLOSURE]

the inventor of the telegraph. It is not only the broad commercial possibilities of this invention which make it a remarkable achievement, it is the fact that it is based upon an entirely new principle in physics—that magnetism can be localized.

Applying this principle in a practical way, Poulsen evolved a machine which records speech, music or any sound, such as the ticking of the telegraph, storing the sound record in the form of magnetic impressions on a fine wire or steel plate. The practical uses of the machine are the same as those to which the phonograph is put—and many more. Linked with the telephone, the telegraphophone makes a permanent record of everything that passes over the line; it takes dictation at any distance covered by the telephone, and talks off, with perfect distinctness, the records made in this way. American capital, seeing the great money-making possibilities of the telegraphophone, is backing the erection of a plant to manufacture the machine here and meet the ever-increasing demand.

New Kind of Wireless

Lately Poulsen has been giving his attention to wireless telegraphy, and has succeeded in perfecting a system of his own which has the great advantage of being absolutely selective.

It has always been possible heretofore with other systems to tap messages, and efforts have been made by tuning to obviate this difficulty. Poulsen has now discovered a way by which it is possible to send a message so that it can be received only by the station for which it is intended. Some time ago Poulsen conducted experiments in his laboratories to show what his system was capable of. Half a dozen receiving stations were fixed up around the room, and the inventor was able to send messages to any one of them without any of the others being affected. So far he has succeeded in sending messages a distance of 300 miles over land, which is equivalent to about 1,200 miles over water.

A further application of his wireless system was shown in another experiment. A 22-foot launch was fitted up with a motor and rudder. Standing on shore Poulsen started the motor by wireless power and controlled the rudder so that the launch went in any direction he chose to direct it. The same idea is to be applied to guiding torpedoes.

This is not a complete catalogue of Poulsen's achievements, but it is enough to show why he is called the "Danish Edison," a title conferred upon him when the telegraphophone was first exhibited at the last Paris Exposition.

NOTE.—This is another illustration of the free publicity given to the Telegraphophone by newspapers in every part of the United States. Newspaper men recognize the vast importance of the Telegraphophone, and realize that they must give their readers an account of it simply as a matter of news. No amount of advertising space that the American Telegraphophone Company could buy would be so valuable as these free news notices.

Sterling Debenture Corporation
61 Pine Street, New York

N8 Co
 W. E. GILMORE,
 PRESIDENT & GENERAL MANAGER,
 J. R. SCHERERHORN,
 ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
 TREASURER,
 A. WESTEC,
 SECRETARY.

NATIONAL PHONOGRAPH CO.

ORANGE, N.J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.

LONDON,
 PARIS,
 BERLIN,
 BRUSSELS,
 SYDNEY,
 MEXICO CITY.

TRADE
 Thomas A. Edison
 MARK

IN REPLYING ADDRESS THE COMPANY NOT
 THE INDIVIDUAL AND MENTION THESE DETAILS.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
 "SYNOTIC, NEW YORK"

Orange, N.J.

Nov. 26, 1906.

Mr. Thomas A. Edison,
 Orange, N.J.

Dear Sir: The December advertising of this Company will appear in the list of publications named below. Proof of the advertisement to be used is enclosed.

| | | | |
|-----------------------|------------------------------|--------------------|--------------------|
| Ainslee's | 1 page | 182.25 | |
| American Illustrated | 1 page | 226.80 | |
| Argosy) | 1 page | | 300.00 |
| All-Story) | | | |
| Century | 1 page | 225.00 | |
| Collier's | 1 page in colors | 1800.00 | |
| Cosmopolitan | 1 page | 322.56 | |
| Everybody's | 1 page | 425.00 | |
| Ladies' Home Journal | 1/4 page | | 1000.00 |
| McClure's | 1 page | | 414.00 |
| Metropolitan | 1 page | | 200.00 |
| Munsey's | 1 page | | 500.00 |
| National | 1 page | 114.75 | |
| Pacific | 1 page | 72.25 | |
| Popular | 1 page | 109.35 | |
| Red Book | 1 page | 203.05 | |
| Saturday Evening Post | 1/2 p. 1t. or 1/4 p. 2 t. | | 900.00 |
| Scribner's | 1 page | | 225.00 |
| Sunset | 1 page | 70.00 | |
| Smith's | 1 page | 91.12 | |
| | | 3842.13 | 3539.00 |
| | | 364.21 | |
| 10% | | 4225.34 | 4226.34 |
| | | | 37745.34 |

Very truly yours,
 NATIONAL PHONOGRAPH CO.,
 Advertising Department,

L. F. M. Harvey
 Manager.

[ENCLOSURE]

| |
|--|
| Proof of Advertisement |
| For _____ |
| Sent _____ |
| From THE FRANK A. MURPHY COMPANY 178 FIFTH Avenue, New York |



WHEN a man leaves home in the evening it is because he seeks amusement. The best way to keep him home is to give him the amusement there. Make home a competitor of downtown, the club, the café, the theatre and the concert hall. No one thing will furnish so much amusement for so many people, so many times, and in so many ways as the Edison Phonograph.

Talk about versatility! If you had a brass band on tap and several leading concert hall singers on salary, and two or three funny men to crack jokes, and a beautiful soprano to sing ballads, you could not give the same amount of varied entertainment that the Edison Phonograph gives by simply changing records.

You can hear the whole program at some nearby store in this town.

National Phonograph Company
Lakeside Ave., Orange, N. J.

[ENCLOSURE]

PROOF OF
ADVERTISEMENT FROM

APPLETON'S



MAGAZINE

BOOKLOVERS
626 FIFTH AVENUE, NEW YORK

Kindly approve and return with original copy
See that correct Key Number is inserted



EVEN John Philip Sousa, who has no use for phonographs, has been forced to recognize the Edison Phonograph as a formidable competitor. The two-step king says that people will no longer go to concerts if they can have music in their own homes so easily and so cheaply as they can with the Edison Phonograph.

This is an unwilling tribute, but it nevertheless is a tribute. The man who has an Edison Phonograph has a concert in his own home. Even a king could not have more. At a store in your town you can hear the Edison Phonograph right away.

National Phonograph Company
84 Lakewood Ave., Orange, N. J.

[ENCLOSURE]

| |
|--|
| Proof of Advertisement |
| For _____ |
| Sent _____ |
| From THE FRANK A. MUNSEY COMPANY 178 Fifth Avenue, New York |



CHARLES DUDLEY WARNER makes one of his characters complain of New York because there is nothing to do between midnight and bedtime. If this man had had an Edison phonograph he would have known what to do between dinner time and midnight, which is most people's bedtime.

In other words, the Edison Phonograph makes long evenings short. It fills in hours that might otherwise lag or be wasted, or even be ill-spent.

It is a harmless, wholesome amusement and one that brings out the good qualities of sociability and enjoyment.

Hear one and see at some dealer's near you.

National Phonograph Company
26 Lakeside Ave., Orange, N. J.

[ENCLOSURE]



IN the time of the Arabian Nights the chief form of amusement was telling stories. They had no books. Professional story-tellers went around and amused everybody who was able to pay. This idea of being amused is as old as the human race. "Give us something to entertain us" has been the constant cry. The answer in this day and age is the Edison Phonograph.

Every one can have his own story-teller, his own songster, his own band-master, right in his own home. The man who "kept a poet" is not in it with the man who keeps an Edison Phonograph. Hear it at the nearest dealer's.

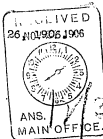
National Phonograph Company
20 Lakeside Ave., Orange, N. J.

MEMORANDUM

COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.

MAIN OFFICE, ORANGE, N. J.
BOSTON OFFICE, 702 P. O. SQUARE BUILDING
BUFFALO OFFICE, 285 ELLICOTT SQUARE
CHICAGO OFFICE, 304 WABASH AVE.
NEW YORK OFFICE, 31 UNION SQUARE
PITTSBURG OFFICE, ROOMS 303-304 WACHENET BLDG.
PHILADELPHIA OFFICE, 1117 NORTH AMERICAN BLDG.

Orange, Nov. 26



MR. W. E. GILMORE, Pres't.,

Dear Sir:-

Attached please find copy of letter similar to one which I propose to write to each purchaser of Business Phonographs after carefully canvassing the probabilities of their using Business Phonographs so as to quote them a rebate of 10% if they use a certain number of machines during one year, providing that number is over ten. Should they use one-hundred in the course of the year we propose to allow an extra ten, or 10 and 10 per cent rebate.

In this manner I propose to know exactly what prospects we have among all of our old customers and push our agents to see that these proposals for one years full sales is accomplished in each instance in order to shut off any competition in those plants.

Thanking you for your approval of this letter, I remain

Yours truly,

N. C. D.

Mgr.

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHERMEHORN,
ASSISTANT GENERAL MANAGER.

J. K. RANDOLPH,
TREASURER.
A. W. TEELE,
SECRETARY.

**COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.**

ORANGE, N. J.

MANUFACTURING AND INSTALLING APPLIANCES FOR THE
EDISON COMMERCIAL SYSTEM

CONDUCTED WITH THE
BUSINESS PHONOGRAPH

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON, PARIS,
BERLIN, BRUSSELS,
SYDNEY, MELBOURNE CITY.

TRADE
Thomas A. Edison
MARK.

DICTATED TO THE
EDISON BUSINESS
PHONOGRAPH

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

 N. C. D.-C.

ADDRESS YOUR REPLY TO

Orange, N. J. Nov. 26, 1906.

Messrs. Carnegie Steel Company,
Pittsburg, Pa.

Gentlemen:-

In accordance with our conversation with your Mr. Jones, Office Manager, we are pleased to confirm our statement that should you order from us eighteen machines for use in your Order Department, (this being the number which Mr. Jones believes could be used to advantage) we will rebate 10% of your invoices for machines and accessories but not for wax cylinders.

We also confirm our statement that if by any means we can secure orders from the Carnegie Steel Company which will amount to one-hundred machines during the ensuing year ending December 1st, 1907, that we will rebate an extra 10% or discounts which will amount to not more than ten and ten per cent on all machines which have been purchased under any different arrangement during the year.

In regard to the question of repairs we are prepared to agree that all expenses for keeping your machines in perfect order during the year ending December 1st, 1907 will be at our expense. This does not allow of any misunderstanding on our part and we positively guarantee that the cost of maintaining your plant will for the year mentioned not be more than the purchase price of the machines. We bring this matter to your attention very strongly as competitors have not the same confidence in an organization to guarantee the successful operation of instruments, and as the question of inspection and mechanical advice are important, especially during the first year when a firm is inexperienced in the operation of the Phonograph this guarantee on our part is extremely important.

[ENCLOSURE]

W. F. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHOENBERGER,
ASSISTANT GENERAL MANAGER.



LECTATED TO THE
EDISON BUSINESS
PHONOGRAPH

H. C. D.-C.

**COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.**

ORANGE, N. J.

MANUFACTURING AND INSTALLING APPLIANCES FOR THE
EDISON COMMERCIAL SYSTEM

CONDUCTED WITH THE
BUSINESS PHONOGRAPH

31 UNION SQUARE, NEW YORK.
308 WABASH AVENUE, CHICAGO.

J. F. RANDOLPH,
TREASURER.
A. WESTE,
SECRETARY

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

Oranges, N. J.

Nov. 26, '06.

Sheet #2--Carnegie Steel Co.

We are also prepared by a careful canvass of transcribers in your city and their continual education to furnish you with help should a member of your force leave your employ.

Thanking you for an acknowledgement of this letter and your interest in advance, we remain

Yours truly,

NATIONAL PHONOGRAPH COMPANY,
Commercial Department.

Mgr.

Dec. 3, 1906.

Nelson C. Durand, Esq.,
Manager Commercial Department,
Orange, N. J.

Dear Sir:

I have your favor of the 26th, enclosing copy of letter similar to one which you propose to write to each purchaser of Business Phonographs, extending an additional 10 & 10% rebate in case they purchase 100 machines within any one year from the date of the first purchase. I believe this is in accordance with our understanding and it is therefore approved.

I do not know whether it was intentional or not, but "guarantee" seems to be spelled incorrectly all the way through the letter.

Yours very truly,

WDCG/IWW

President.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. H. SCHIERMEYER,
ASSISTANT GENERAL MANAGER.

TRADE
Thomas A. Edison
MARK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND RETURN THESE SERIALS.

Phon. Advertising

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.

J. F. RANDOLPH,
TREASURER.
A. WESTICE,
SECRETARY.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

Dec. 13, 1906.

Mr. W. E. Gilmore, President,
Orange, N. J.

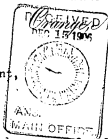
Dear Sir:

Attached is a carbon copy of a formal order we are sending to Calkins & Holden for the newspaper advertising begun last month. This covers the United States only. It does not include Canada, which is being made the subject of a separate campaign and upon which a report will be given you later. In addition to the cost of the space shown on the attached order, there is an expense of \$1239.57 for designing, engraving, composition, making stereotyped plates, etc. This expense is about offset by the cash discounts allowed by most of the papers.

I will be glad to furnish any details of this advertising that may not be clear to you. I might say that so far the papers are treating us splendidly with this advertising. Without paying extra for it, we are getting some of the best positions in the papers.

Very truly yours,

L. C. McKearey
Manager, Advertising Department.



[ENCLOSURE]

218

Dec. 15, 1908.

Messrs. Galpin & Holden,
New York City.

Dear Sirs:

Enter our order for newspaper advertising to be done in various Jobbers' cities throughout the United States, upon the basis of the estimate enclosed with your letter of December 10th, which is copied on the sub-joining sheets and made a part of this order. The advertising is to consist of 20 insertions of a 14" advertisement. All details as to illustrations, copy, composition and stereotypes have already been agreed upon.

Very truly yours,

NATIONAL PHOTOGRAPH CO.,

Advertising Department,

Manager.

[ENCLOSURE]

| CITY | PAPER | CIRCULATION | NET per line for 3920 lines | RATE per in. for 280 inches | CASH discount |
|-----------------------|----------------|-------------|--------------------------------------|--------------------------------------|------------------|
| S. Albany, N.Y. | Press | 21454 | .0425 | | |
| E. Allentown, Pa. | Leader | 4671 | | .102 | |
| S. Atlanta, Ga. | Constitution | 48731 | .07225 | | |
| E. Bangor, Me. | Commercial | 9453 | | .2975 | |
| S. Birmingham, Ala. | News | 23000 | .021 | | 5% |
| S. Brooklyn, N.Y. | Eagle | 85000 | .144 | | 0 |
| D. Burlington, Vt. | Free Press | 7500 | .017 | | 0 |
| S. Canton, O. | Repository | 8773 | | .2125 | 0 |
| S. Columbus, O. | State Journal | 26896 | .021 | | 0 |
| S. Cincinnati, O. | Enquirer | 100000 | .17 | | 0 |
| S. Dallas, Tex. | News | 15000 | .0635 | | 0 |
| E. Dayton, O. | News | 21197 | .0255 | | 0 |
| S. Des Moines, Ia. | News | 42844 | .0425 | | 0 |
| S. Easton, Pa. | Call | 3200 | | .115385 | 0 |
| S. Elmira, N.Y. | Tele-gram | 48222 | .10 | | 0 |
| S. El Paso, Tex. | Times | 6400 | .034 | | 0 |
| E. Fitchburg, Mass. | Sentinel | 8001 | | .065 | 0 |
| E. Fort Dodge, Ia. | Messenger | 2243 | | .0795 | 0 |
| S. Ft. Worth, Tex. | Record | 13402 | .0425 | | 0 |
| E. Gloversville | Leader | 3555 | | .1275 | 0 |
| E. Harrisburg, Pa. | Star Indpt. | 12055 | .02125 | | 0 |
| E. Helena, Mont. | Daily Record | 10091 | | .2295 | 0 |
| S. Houston, Tex. | Chronicle | 23822 | .0425 | | 0 |
| E. Kingston, N.Y. | Freeman | 3632 | | .13 | 0 |
| S. Knoxville-Tenn. | Journal-Trib. | 13013 | | .425 | 0 |
| D. Lafayette, Ind. | Journal | 5193 | | .119 | 0 |
| S. Lincoln, Neb. | State Journal | 14520 | .03825 | | 0 |
| S. Little Rock, Ark. | Gazette | 11111 | .0255 | | 0 |
| S. Louisville, Ky. | Courier Jrnl. | 15000 | .108 | | 0 |
| S. Lowell, Mass. | Tele-gram | 15526 | | .34 | 5% |
| S. Memphis, Tenn. | Com'cl Appeal | 18897 | .07225 | | 0 |
| S. Mobile, Ala. | Register | 9459 | .034 | | 0 |
| S. Montgomery, Ala. | Advertiser | 16598 | .02975 | | 0 |
| S. Nashville, Tenn. | American | 21925 | .0595 | | 0 |
| E. Newark, N.J. | Eve. News | 60102 | .0855 | | 0 |
| E. Newark, O. | Advocate | 3527 | | .102 | 5% |
| E. New Bedford, Mass. | Standard | 13732 | | .378 | 0 |
| S. New Haven, Ct. | Register | 11311 | .065 | | 0 |
| S. New Orleans, La. | Times Democrat | 30000 | .04675 | | 0 |
| S. Oakland, Cal. | Tribune | 13481 | .04675 | | 0 |
| S. Omaha, Neb. | News | 45087 | .021 | | 0 |
| S. Ogden, Utah | Examiner | 3615 | | .15 | 0 |
| E. Oswego, N.Y. | Palladium | 3900 | | .15 | 0 |
| E. Patterson, N.J. | Guardian | 9283 | | .18 | 0 |
| S. Providence, R.I. | Tribune | 31000 | .051 | | 5% |
| E. Pawtucket, R.I. | Times | 16839 | | .459 | 3% |
| S. Peoria, Ill. | Journal | 8306 | .017 | | 2-1/2% |
| S. Phila. Penn. | No. American | 168000 | .2125 | | 0 |
| S. Portland, Me. | Tele-gram | 8642 | | .2975 | 0 |
| S. Portland, Ore. | Oregonian | 34887 | .10625 | | 0 |
| S. Quincy, Ill. | Whip | 8333 | | .153 | 0 |
| S. Reading, Pa. | Earle | 9837 | .034 | | 0 |
| S. Richmond, Va. | Times-Dispatch | 23779 | .074375 | | 0 |
| S. Rochester, N.Y. | Dem. Chronicle | 28190 | .0595 | | 0 |
| E. Sacramento, Cal. | See | 10791 | .034 | | 0 |
| S. Salt Lake C. Utah | Tribune | 16400 | .03525 | | 0 |
| S. San Antonio, Tex. | Express | 2500 | | .6545 | 0 |

[ENCLOSURE]

-2-

| CITY | PAPER | CIRCULATION | Net per line for 3920 lines | RATE per in. for 450 lines | CASH Discount |
|---|----------------|-------------|-----------------------------|----------------------------|-----------------------|
| S. Savannah, Ga. | News | 5250 | .0425 | | 2% |
| M. Schenectady, N.Y. | Gazette | 13058 | .02975 | | 2% |
| E. Scranton, Pa. | Times | 25741 | | .425 | 2% |
| E. Sharon, Pa. | Telegraph | 3125 | | .085 | 2% |
| S. Seattle, Wash. | Times | 46117 | .102 | | 0 |
| E. Sioux City, Ia. | Tribune | 24287 | .0255 | | 2% |
| S. Spokane, Wash. | Spokesman Rev. | 21636 | .060775 | | 2% |
| S. Springfield, Mass. | Union | 15640 | .054 | | 2% |
| E. St. Paul, Minn. | Dispatch | 65000 | .085 | | 2% |
| S. St. Louis, Mo. | Globe, Dem. | 175461 | .17 | | 0 |
| S. St. Louis, Mo. | Post-Disp. | 223578 | .21675 | | 0 |
| S. Syracuse, N.Y. | Herald | 40098 | .06375 | | 0 |
| S. Toledo, O. | Theor-Rec | 15974 | .0595 | | 2% |
| S. Trenton, N.J. | Advertiser | 13409 | | .2125 | 2% |
| S. Troy, N.Y. | Budret | 24264 | .085 | | 2% |
| E. Utica, N.Y. | Herald-Disp. | 15499 | .042 | | 2% |
| E. Waycross, Ga. | Herald | 1000 | | .08 | 10% |
| | | | | | (for cash in advance) |
| E. Williamsport, Pa. | Sun | 11153 | .0255 | | 0 |
| E. Worcester, Mass. | Telegram | 26441 | .0425 | | 5% |
| S. Baltimore, Md. | American | 58123 | .13125 | | 3% |
| S. Buffalo, N.Y. | Courier | 79841 | .085 | | 2% |
| S. Chicago, Ill. | Tribune | 200000 | .378 | | 2% |
| S. Cleveland, O. | Plain Dealer | 66692 | .119 | | 0 |
| S. Denver, Col. | Post | 60104 | .102 | | 2% |
| | | | | | \$103,150.455 |
| S. Detroit, Mich. | Free Press | 55558 | .085 | | 2% |
| S. Indianapolis, Ind. | Star | 52548 | .09 | | 2% |
| S. Kansas City, Mo. | Star | 120867 | .17 | | 0 |
| S. Milwaukee, Wis. | Sentinel | 54721 | .058 | | 0 |
| S. Philadelphia, Pa. | Record | 150000 | .2125 | | 2% |
| S. Pittsburg, Pa. | Dispatch | 72960 | .133 | | 5% |
| S. Boston, Mass. | American | 100000 | .27 | | 5% |
| S. Chicago, Ill. | American | 545807 | .45 | | 5% |
| S. Los Angeles, Cal. | Times | 43550 | .09 | | 5% |
| S. New York, N.Y. | American | 600000 | .495 | | 5% |
| S. San Francisco, Cal. | Examiner | 139737 | .225 | | 5% |
| S. New York, N.Y. | World | 383650 | .405 | | 5% |
| S. Chicago, Ill. | Record Herald | | | | 5% |
| S. St. Louis, Mo. | Republic | | | | |
| S. Philadelphia, Pa. | Press | 1034000 | | | |
| S. Pittsburg, Pa. | Post | | | | |
| S. New York, N.Y. | Tribune | | 2.025 | | 5% |
| S. Boston, Mass. | Post | | | | |
| S. Washington, D.C. | Star | | | | |
| S. Minneapolis, Minn. | Journal | | | | |
| S. San Francisco, Cal. | Chronicle | 92000 | .1616875 | | 0 |
| S. Los Angeles, Cal. | Examiner | 58150 | .09 | | 5% |
| For all except Asso. Sunday & San Francisco Chronicle | | | \$6,935.15 | \$103,171.485 | \$6,079.36 5 |
| | | | | 280 in. | |
| | | | | \$28,886.01 | |

[ENCLOSURE]

-3-

| CITY | PAPER | CIRCULATION | Net per line for 3920 lines | RATE per in. for 250 lines | CASH Disc'T |
|------|-------------------------------|---|--------------------------------------|-------------------------------------|----------------|
| | | | | | \$28,868.01 |
| | San. Fran. Chron. | 266 Inches (19 ads) | | | |
| | | They missed the first one at \$2.643625 | | | |
| | | not per inch | | 676.60 | |
| | Also Sunday morn. | 42 inches (3 ads) at | | | |
| | | \$33.25 per inch. | | 1190.70 | |
| | 8 individual papers on Assoc. | Sunday list | | | |
| | | to be used after January 1st-196 inches | | | |
| | | (14 ads) at \$21.065975 | | 4128.93 | |
| | | | | \$34,864.24 | |
| | | 10% commission..... | | 3,486.42 | |
| | | Total cost of space..... | | \$38,372.66 | |

D---Daily
S--- Sunday
E---Evening

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER,
J. F. SCHNEIDERHORN,
ASSISTANT GENERAL MANAGER.

Phon. - Advertising

J. F. RANDOLPH,
TREASURER,
A. WESTICE,
SECRETARY.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

TRADE
Thomas A. Edison
MARK.

31 UNION SQUARE, NEW YORK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND REVERTER THESE DETAILS

DEC 16 1906
RECEIVED
ADDRESS YOUR REPLY TO

CALL ADDRESS
"ZYMOTIC, NEW YORK"



December 17, 1906.

Mr. W. E. Gilmore, President,
Orange, N. J.

Dear Sir:

Without knowing what general plans you or Mr. Weber may have in mind concerning this department, it seems to me that the work is of such a character and is important enough to warrant the erection of a building for its own use. That is, assuming that Mr. Edison will eventually insist upon having complete possession of the building we are now in. If he could be induced to allow us to stay here indefinitely, sufficient additional room could be obtained by building a small addition to it. I believe that you would not be satisfied to have even part of my department in the office building, for the daily carrying of printed matter back and forth would be an annoyance and a constant source of irritation. On the other hand, I do not think that the department should be put down in one of the factory buildings. I think it is entitled to more dignified treatment. When I say the department, I do not mean the stock of printed matter. If we must abandon this building, it can be carried anywhere in the factory where it can be handled in the most economical manner. Or, if Mr. Edison will let us stay in this building, we could move the stock of printed matter into one of the factory buildings and use this entire building for the other work of the department.

The demands upon the Advertising Department seem to grow faster than we can take care of them to advantage. Every additional facility that we get for carrying stock or doing the work seems to be outgrown as fast as we get it. We really should have a building the size of the present one for nothing but the executive work of the department and another fully as large for carrying printed matter in a proper manner. If Mr. Edison must have this building the ideal solution would be the erection of a building at least 25 x 100 and two stories high with provisions for increasing its height as well as making additions so as to admit of the installation of a printing plant should it at any time become necessary to do so.

My principal reason for writing this letter is to bring the matter to your attention and make it the subject of a general discussion in the near future. There are a number of things that we should be doing in connection with advertising that we cannot take up for the want of room, to add the necessary people and we should even now have a larger force to properly handle the details. We find ourselves constantly driven to keep up the work and with our present room it is not feasible to add new people.

Very truly yours,

W. E. Gilmore
Manager, Advertising Department.



Handwritten: New York
Handwritten: Mr. W. E. Gilmore
 Orange, N. J.

Dec. 17, 1906.



Mr. W. E. Gilmore,
 National Bank of
 Orange, N. J.
 Dear Sir:--

We are pleased to acknowledge receipt of your esteemed favor of the 7th, and take this opportunity of thanking you kindly for the decision you have come to in regard to the 15% discount, which the insurance companies so unjustly look away from us. We appreciate this credit of \$2700.00 very much, indeed.

The way the account stands, according to our books, is as follows:

| | | | |
|-----------------|----------------|-------------|--------------------------|
| \$23241.22 | Old Balance -- | \$18000.00 | -Including cash |
| <u>19267.91</u> | | Cr. 1267.91 | and insurance |
| 3973.31 | Still due --- | \$19267.91 | sent - in round figures. |
| <u>4.013</u> | | | |

Hope that you will do some thinking on this balance. After you have carefully figured this out and gone over the matter, know that I will get what is coming to me. Should like very much to have same wiped off, and know that you would. The cash that we have sent you since the quake, together with the \$10,000 credit, goes to show that we are still hammering away at the Edison article, trying to make some money for you and ourselves. I know that I am in good hands for the settlement of the old account.

I spent last Sunday with Leon. He is sawing wood, tilling the soil and doing other things of this nature to re-establish his health. We took a trip in a boat yesterday, and saw two million ducks. Wish that you could drop in and have a look at them.

Wishing you a very happy Christmas and prosperous New Year, in union with your family, and trusting that everything will come your way, as usual, I am,
 Yours very truly,
 P.B.--H.

Handwritten signature: Peter Bacigalupe

[ENCLOSURE]

Edison Phonographs
Victrola
Zonophones
Retail: 1113-15 FILLMORE STREET

Edison Moving Picture Machines
Wurlitzer Automatic
Musical Instruments
Wholesale, 1021-23 GOLDEN GATE AVE.

TELEPHONE WEST 8107

San Francisco, Cal., DEC 17 1906 1906

M Cash permitted to

National Phon Co.

To PETER BACIGALUPI & SONS Dr.

LATE OF 746 MISSION ST., 840 MARKET ST., 805 KEARNY ST.

| 1906 | | 1916 | | |
|-------|-----|-----------|--------|----------|
| Month | Day | Debit | Credit | Balance |
| June | 4 | Cash | | |
| | 7 | 1000 | 30 | 2713.32 |
| | 19 | 500 | 37 | 173.52 |
| | 22 | 500 | Acct 2 | 3000 |
| | 25 | 51 | 2 | 601.96 |
| | 26 | 136 | 5 | 187.85 |
| | 26 | 500 | 5 | 3040 |
| July | 6 | 500 | 10 | 5000 |
| | 7 | 100 | 17 | 1000 |
| | 12 | 700 | 23 | 1000 |
| | 16 | 500 | 26 | 1000 |
| | 18 | 500 | 2000 | 500 |
| | 19 | 987 | 1 | 500 |
| | 28 | 500 | 5 | 500 |
| | 28 | 700 | 10 | 1000 |
| | 26 | 1000 | 13 | 1000 |
| | 28 | 1000 | 17 | 1000 |
| Aug | 3 | 7 | 23 | 700 |
| | 6 | 1218.75 | 28 | 1000 |
| | 8 | 500 | Dec 8 | 500 |
| | 8 | 500 | 10 | 500 |
| | 9 | 1100.00 | 11 | 1000 |
| | 14 | 500 | 15 | 3536.9 |
| | 16 | 300 | 15 | 10300.6 |
| | 28 | 300 | 17 | 1000 |
| | 28 | 250 | | 15000.39 |
| | 31 | 1000 | | |
| | 22 | 500 | | |
| | 25 | 3000 | | |
| Sept | 6 | 11000 | | |
| | " | 2000 | | |
| | " | 17 | | |
| | 10 | 500 | | |
| | 20 | 1000 | | |
| | 24 | 1000 | | |
| | | Acct fund | | |

J. W. AYLSWORTH,
Technical Chemical Expert.
TEL. 424 ORANGE.

Record - Manuf.

LABORATORY.
No. 223 Milling Avenue,
EAST ORANGE, N. J.

EAST ORANGE, N. J., DEC 4-1922

Mr. W. E. Gilmore,
National Geographic Co.
Orange N. J.

Dear Sir:-

Complying to your request for figures of what can be done by the new molting process, in comparison with the old or present method, I have the following to submit.

These figures are based on what has actually been done regarding percentage and on the designed capacity of the new machine which has been determined by experience with the machine we have been operating with.

Equipment - One double machine per tank.
Estimated cost of machine \$300.00
Bottle - 46-50 per tank.
Patroling jackets over running machine boards, same for 1000 output or more.
Out Put per Tank per day of ten hrs.
Food - 6000 - Food - 5230. = 88%
Crew - Eleven men or four men & four boys if desired.

J. W. AYLSWORTH,
Technical Chemical Expert.
TEL. 444 ORANGE.

LABORATORY...
No. 223 Midland Avenue,
EAST ORANGE, N. J.

EAST ORANGE, N. J., _____

making the out put 480 per man.

If the work is considered good work
now get 2500 good (not edged) per tank
per day of ten hrs.

The losses in edging bringing this figure
down to about 2400

It takes two boys to edge the out put
of one tank & requiring the two boys
is one man the present cost per tank
would be 12 men for 2400 records.

= 200 records per man.

This makes a saving of 50% of the
labor cost in manufacture.

Taking the labor cost as one cent per record
which is not far out, the saving per
day on present out put will be
about \$580.

The cost of the experiments on the
process & comparison, including the
retainer was for me amounts to \$4284.

J. W. AYLSWORTH,
Technical Chemical Expert.

TEL. 456 ORANGE.

LABORATORY,
No. 222 Midland Avenue,
EAST ORANGE, N. J.

EAST ORANGE, N. J., _____

This expense covers the period from
Feb. to Dec 31.

There are other advantages with the
process, over present method such as

Less number of molds per thousand records.

Larger out put per tank & saving of equipment.

Molds self cleaning & very little benzole required.

Larger percentage of master records passable.

Variations of wax ingredients of no effect as
to difficulties of manufacture.

Cleaner operation.

Makes possible future composition
improvement & the 200 thread record.

Respectfully yours,

J. W. Aylsworth

**National Phonograph Company Records
Correspondence, Foreign (1906)**

This folder contains correspondence and other documents relating to the marketing and supply of phonographs and cylinder records in Great Britain, Germany, Belgium, France, and other countries. Most of the items are letters to and from William E. Gilmore, president of NPhCo. Other correspondents include James H. White, European sales manager; Walter Stevens, manager of the Foreign Department; John R. Schermerhorn, assistant general manager; and Thomas Graf, managing director of the Edison Gesellschaft. Among the documents for 1906 are letters pertaining to prices and management and to the quality and condition of phonographs and records offered for sale in Europe, Australia, and the Americas. Also included are letters regarding the manufacture of records in Paris, Berlin, and Brussels under the direction of Edward Rieh; the resignations of White and Joseph Kaltenecker, managing director of the Compagnie Française du Phonographe Edison; Edison's German patent rights and the reorganization of his German business; and the aftermath of the fire in the Paris factory.

Approximately 10 percent of the documents have been selected. Among the items not selected are letters regarding weekly and monthly remittances and accounts, ongoing litigation with Edison-Bell, and litigation over the unauthorized use of the name "Edison." Also not selected are incorporation papers for the National Phonograph Co. of Australia and the National Phonograph Co. of Mexico, both organized during 1906.

Thomas & Edison.

And Records

ENREGISTREMENT :

BRUXELLES
PARIS
BERLIN
LONDRES

Téléphone 6569

National Phonograph Co

Usines de Bruxelles :

55, QUAI DU HALAGE, 55

T.A.E., Inc. - *File*

ORANGE N. J. U. S. A.

BRUXELLES

PARIS

BERLIN

*See also =
Record - Manuf.*

Mr. 164gr. RANDOMLY-BRUXELLES-ED

January 6th, 1906.

Mr. William E. Gilmore, President,
The National Phonograph Co.,
ORANGE, N. J. U. S. A.

Dear Sir:-

I beg to hand you herewith European condensed factory report for week ending January 2nd, 1906 of Brussels, Berlin and Paris factories, also Brussels Wax Plant.

Regarding the fire at our Paris Factory, I beg to state that upon receipt of a telegram from Paris in the night of Dec. 28th I immediately cabled Mr. Schermerhorn the meagre information contained therein, and went with the next train to Paris. I found that the interior of the record moulding department was almost entirely destroyed, and the building erected by us partly affected by the fire. I cabled Mr. Schermerhorn the exact extent of the damage sustained, and found upon investigation that the fire originated at 10 o'clock at night, when nobody was at work at the factory. I questioned the watchman employed at the factory, who claims that on passing a pot containing approximately 2 quarts of benzine he set it on fire with his lantern. The benzine is used by the watchman to wash the jackets or cooling pots used to extract records, but his assertion that he set same on fire with his lantern is much to be doubted, as the lantern used is a specially constructed watchman's lantern, and the fire may have originated from the smoking of a pipe or the throwing of match. The starting of the fire is thus some what of a mystery, but there can be no doubt that the watchman is responsible for this mishap, which is due to his carelessness. I made it a point to demonstrate that the wax contained in the kettles did not ignite, - in fact a few cakes lying on a table only melted, but did not catch fire or burn in any way.

As we carry an insurance sufficient to cover our losses, I advised the insurance companies at once of the conflagration and took the necessary steps to recover the amount claimed by us. Our total damage claims we put at the figure of Frs. 55,000. This amount, of course, will not be accorded, as experts will determine the amount of the loss, many of the articles, such as lathes, kettle etc., not being entirely destroyed. Still we claim that they are absolutely useless to us, and are trying to recover the full value which will not exceed Frs. 15,000. (\$3,000.) The Insurance Cos. (our insurance being carried by two companies) have deputed an expert, who met the expert deputed by us for the purpose of discussing terms for the first time on Jan. 4th, when the preliminary legal conditions were discussed.

NATIONAL PHONOGRAPH C^o

Brussels, January 6th 1906.

SHEET N^o 2.-

Mr. William E. Gilmore, President,
The National Phonograph C^o,
ORANGE, N.J. U.S.A.

I remained in Paris a little over a week, and will return there for the next meeting of the experts. There is a tremendous lot of red tape to be gone through, and many hindrances put in the way of an immediate settlement, but I expect that the experts, with our assistance, will accomplish their task in the first half of this month. I will have a Power of Attorney, to enable me to act in Mr. Croydon-Marks' name, so as to effect the settlement with the insurance people.

Mr. Schermerhorn came to Paris, and is kept fully informed of all details regarding the mishap. He instructed me not to make any effort as yet to re-erect the manufacturing plant. Of course we are bound to make the necessary repairs on the building itself, on which damages are approximately, including the flooring, from Frs. 3000 to Frs. 4000. I quite agree with Mr. Schermerhorn that should we rebuild, we should find more suitable quarters, large enough to amalgamate all our Paris stock-rooms, factory and store-warehouses under one roof. You will doubtless remember that I found a place in Levallois, - these premises I regret to state however, were taken by another party soon after.

We have a stock of records at the Levallois stock-room amounting to 145889. I have at once sent moulds for all the most popular selections from our Paris factory to the Brussels plant, in order to supply records from Brussels. Of course we will use up our Paris stock to supply orders first, and as soon as that stock of selections is exhausted, we will manufacture and fill requisition from the Brussels plant, and I daresay that our selling end will not suffer through the accident.

Mr. Schermerhorn thinks it advisable to throw the two stock-rooms together immediately and transfer the two stock rooms and store-rooms to the factory and ship orders from there until such time as business warrants our erecting a new moulding plant.

The question of maintaining our patent rights came up, and we went to ask Mr. Brandon's opinion on the matter, who informed us that it will be absolutely necessary for us to continue the manufacture of records in France in order to protect our French patents. We have however a reasonable time in which to recommence the manufacture anew, as the law allows a reasonable time if the patents have been worked previously, which in our case has been done for the past two years at our Levallois factory. I believe that the law makes an allowance of two years: - that is, I believe we may stop manufacturing for about that length of time if we have a reasonable excuse for doing so.

I will keep you fully informed of the result of the damages by the Insurance companies at a later date.

NATIONAL PHONOGRAPH CO

Brussels, January 6th 1906.

SHEET N° 3.-

Mr. William F. Gilmore, President,
ORANGE, N.J. U.S.A.

Relative to the trial of the Authors' Rights Society suit in Belgium, I am very pleased to report that the judgement, contrary to all expectations, has been rendered in favour of the manufacturers. This is quite a hard blow to the Editors' Society, as they were so sure that decision would be in their favour, and had already made arrangements and contracts with several of the phonograph manufacturers. In fact I advised you lately that the Gramophone people had addressed a circular letter to all their dealers in Belgium, calling in all the records which were to be stamped for royalty.

While the Editors can appeal to a higher court, called "Court de Cassation", it is generally considered that the present decision will be confirmed by the supreme court. This decision is very good news to us and may very much interfere with the present claim of the French Authors Society, which is to the effect that all records, instrumental as well as vocal, should pay royalty in France, and the Belgian decision may have some weight in French judicial circles.

Personally I am very jubilant about this decision, not only on account of the royalty on each record being saved, but also because the nuisance and delay in being obliged to affix royalty labels on record boxes, is thus done away with. This has been a serious drawback in Paris and greatly interfered with the prompt delivery of orders, and if we had had this trouble to contend with at our Brussels Factory, the inconvenience would be so much the more accentuated.

We will send you, according to your desire, a monthly report instead of a weekly statement in my letters to you. You will of course however continue to receive the regular weekly manufacturing report as heretofore.

Yours very truly,

THE NATIONAL PHONOGRAPH CO.

Superintendent

Enclosure.

Record-Making.

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 5050, HOLBORN.



Cable Codes Used: A.L. A.B.C. COMMERCIAL,
LIEBER'S AND HUNTING'S.

Thomas A. EDISON'S

EUROPEAN HEADQUARTERS
OF THE

FACTORIES:

- Phonographs,
- Grammophones
- Records,
- Projecting
- Kinescopes,
- Original Films,
- Battery Fan
- Motors,
- Edison-Primary
- Batteries,
- Bates and Edison Automatic Hand
- Numbering Machines.

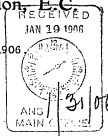
NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.

- Orange, N.J.
- U.S.A.
- +
- Berlin.
- +
- Paris.
- +
- Brussels.

25, Clerkenwell Road,

London, E.C.

IN WRITING ADDRESS THE COMPANY NOT
THE INDIVIDUAL OR SEVERAL TRADE OFFICES.



6th January, 1906

W. E. Gilmore, Esq.,
Orange, New Jersey, U.S.A.

My dear Ed:

I last night returned from Paris and will now confirm my cable of the 3rd instant which reads:

"Have decided manufacture Brussels temporarily Will write details and recommendations"

The stenographer in the Paris office was rather slow and inasmuch as even though a letter were written there it could not get out before to-day's mail I decided to await writing until I arrived here.

Upon my personal investigation I find that the information contained in my letter of December 30th is exactly in accordance with the facts so far as it goes.

The machinery of the moulding plant is considerably damaged, but much of it can be repaired. Of course the cores and jackets are absolutely ruined; the remaining machines are damaged to a certain extent; that is, new shafts will have to be provided and also possibly new bearings, although no very careful inspection has as yet been made. The dipping machines can doubtless be cleaned up and most of the parts used. The kettle is still full of wax and has not been examined, but it is probably warped and, of course, will have to be taken out and repaired.

As you can well understand Mr. Riehl very wisely decided to do nothing whatsoever until he had received an adjustment as to the insurance. He is claiming Frs. 55,000, which will, without doubt, be cut in half. At a rough estimate I should say that the loss would be from Frs. 15,000 to Frs. 20,000. The principal expense

N. P. Co., Ltd.

will be in repairing the building which under our lease is necessary. The brickwork is not damaged, but, of course the windows, roof, and also woodwork, such as window-frames and so forth will probably have to be entirely replaced.

Mr. Riehl estimates that it will take from six to eight weeks to get the plant in operation.

Confirming the letters which I had written him I verbally instructed him to immediately prepare to supply the French demand from Brussels; of course sending only the moulds to Brussels as rapidly as stock of records might be required.

I was unable to get any accurate idea of the cost of duty, but such figures as I was able to see indicated that the duty per record was between 4 and 5 centimes, roughly, 1 cent each.

Freight, if shipped by ordinary slow route, is trifling - about $\frac{1}{2}$ of a cent per record, or in other words I figure that it would cost us less than $\frac{1}{2}$ cents per record to lay them down in Paris.

As the reports which you receive weekly from Mr. Riehl would indicate, this additional cost is practically saved in the cost of manufacture as between Brussels and Paris, that is, Brussels is manufacturing at something over 1 cent each per record ~~less~~ than is the Parisian cost, therefore, a little, if any, actual ~~cost~~ would be sustained by giving up the Paris factory provided the demand is not greater than has been in the past; on the other hand, of course, if the demand should greatly increase in France, thereby enabling us to do a larger production, then of course the cost per record will not be any more than prevails in Brussels, and in that event we would lose the transportation charges and duty.

What impressed me most, however, was the patent situation, and before cabling you Mr. Riehl and I consulted with Mr. Brandon. Mr. Brandon stated that in order to protect our patents in France it was absolutely imperative that we manufacture there, and that we could not use a dummy plant as a subterfuge. We, however, can discontinue the plant for six or eight months and such action would not operate to the disadvantage of the patent situation. Mr. Brandon further stated that so far as he knew we owned practically the only patents that were of any use in France, and provided the validity of the patents could be sustained it would, of course, be very much to our advantage to keep them alive.

I am well satisfied that the conditions under which the French business is now being operated is not only expensive but also it would be very unsatisfactory provided we ever get doing a satisfactory business.

It is my conclusion that there should be more consolidation, that we should have but one common store-house, and such store-house should be part and parcel of the manufacturing plant provided we do manufacture.

N. P. Co., Ltd.

By pursuing such a plan the Manager of the factory could also look after the shipping. He would have absolute control of the stock of records which is very important. I, therefore, concluded that one of the two following plans would be advisable :-

1. Assuming you decide that it is advisable to manufacture in France, which I am inclined to recommend, that we should then take on a new plant of sufficient facilities to consolidate as above.

I looked at several plants but was unable to see anything under a rental of Frs. 12,000 per year. One factory at this price impressed both Mr. Riehl and myself as being very nicely adapted to our requirements, and it is obtainable. It is now leased by Blackwell's Parisian Company and they have a lease for a period of 10 years from date. It is really part of the plant of the Clement and Bayard Automobile and Bicycle Company, being adjacent to their very large factories, and inasmuch as they are constantly growing they are perfectly willing to annul the lease, hence it seems quite probable that even though we assumed the lease we could get rid of it at almost a moment's notice.

While the above plant seemed very desirable, on the other hand the rent seemed too high, and therefore I do not especially recommend it except as being very suitable. I, therefore, instructed Mr. Riehl to make further search for something that would be suitable for our purpose, and which, I believe, can be had at a much lower rental.

2. If it is decided that we do not manufacture in France then I would strongly recommend that we retain the lease of the present factory plant and use it for our store-house and shipping department. There is ample room for this apparatus and the rent is, of course, exceedingly low, viz: Frs. 1350 (\$270) per year.

By adopting this plan we would be compelled to get rid of the following properties :-

- 15 Rue Saussier le Roy - Rental Frs. 220 (\$440 per year)
Leased for two years from July 15th, 1905.
- 15 Rue Saussier le Roy - Rental Frs. 1000 (\$200 per year)
Leased for two years from July 15th, 1905.
- Levallois-Perret Stock-room - Rental Frs. 1500 (\$300 per year)
Leased for three years from June 30th, 1904.

It is quite possible that we should have some difficulty in sub-letting either of these properties, although we could doubtless sub-let them at a sacrifice, if not for the amount we are paying. Of course if we took on an entire new property then we would also have to get rid of the lease of the Levallois factory, which can be annulled by giving six months' notice and paying an indemnity of six months' rent, or in other words by sacrificing a year's rental.

N. P. Co., Ltd.

Mr. Riehl, however, is very confident that we would have no difficulty whatever in getting rid of this property, and as a matter of fact claims that we could sub-let it at a considerable advance, he believes at double the amount we are paying.

At the present time Mr. Kaltenecker has five people employed at his stock room to whom he is paying salaries aggregating Frs. 700 per month. Mr. Riehl is compelled to keep two ordinarily in his stock-room to whom he pays approximately Frs. 300 per month. By consolidating we could save at least Frs. 500 per month, or Frs. 6000 per year, which saving we might consider could be expended for additional rental.

Even should we decide to manufacture in Paris I have concluded that it would be unnecessary to continue making moulds there; in other words the moulds could be made in Brussels. The duty on moulds into France would be approximately 22 cents each, which, of course, would not aggregate a considerable amount because of the fact that comparatively few moulds per selection are required to take care of the French demand.

I will further say that I believe there is no good reason why the French business should not increase very materially, and after certain changes that are to take place have been effected I am in hopes that better results will be obtained, and if such should prove to be the fact then, of course, the question of manufacturing in that territory is one to be carefully considered.

I have endeavoured to outline the situation as concisely as possible so as to enable you to carefully consider the two propositions and come to a conclusion, although it just occurs to me that I have neglected to state that I consider it advisable to have the store-room outside the confines of Paris, as by so doing we save the special city tax (*Octroi*) which is imposed on all records that come within the city limits.

There is, of course, no especial hurry in coming to a decision although I naturally would like to have your opinion at as early a date as possible, that is, which ever plan is adopted I would like to have put into effect without undue delay especially if the second one seems best; in other words, I am not satisfied with the store-keeper in Paris, and it is my purpose to dispense with his services and put Mr. Leveque, who has been managing our factory, in charge of the store-room, shipping, and so forth. He strikes me as being capable and is certainly a worker.

Yours very truly,

J. R. S. / L. D.

Chairman of Directors.

J. R. S. / L. D.

Jan. 18, 1906

Mr. Weber:

see TAE, Enc. - ⁷⁰⁰ Record - Manuf.
↑ Jan. 6, 1906

This letter from Mr. Riehl is very interesting reading indeed. I am still of the opinion that we should not maintain a factory plant in France, for the present, at least; and if, as he states, we do not have to resume the manufacture of records for two years at least, it gives us plenty of time to look into the situation more carefully. Personally, I do not see that it is going to be a ny great benefit to us to keep a factory going in France, simply to sustain whatever patents we may have there on records or apparatus for the manufacture of same. My opinion is now, that we are doing business on a purely commercial basis, and if we have a better record than anybody else we can maintain our price on it and do the business; and I am certain that if we manufacture in one plant we will make money in the long run. This applies to the whole of the Continent as well as the British Isles, and it does not make any difference whether the plant is located in Germany, in Brussels or in England, it seems to me that the best thing to do is to have one plant to take care of the entire output, rather than several. Of one thing I am satis-

(2)

fied; it is simply a waste of money to keep a plant going in France. If you are of this same opinion, I wish you would send this letter along to Mr. Edison with your comments, as of course I would like to have his comments before I write Riehl.

1/18/06.

W. E. G.

Enc-B

W

Telegrams & Cables: "RANDOMLY, LONDON."
Telephone No. 2050, HOLBORN.

TRADE
Thomas A Edison
MARK

Phon. - Legal
Cable Codes Used: A.L., A.B.C., COMMERCIAL,
LEEDER'S AND HUNTING'S.

**Thomas A.
EDISON'S**

Phonographs,
Gold Mounted
Records,
Projecting
Kinetoscopes,
Original Films,
Battery Fan
Motes,
Edison-Primary
Batteries,
Bates and Edison Automatic Hand
Numbering Machines.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL, AND RETURN THESE TICKETS.

EUROPEAN HEADQUARTERS
OF THE

NATIONAL PHONOGRAPH CO. Ltd.
EDISON MANUFACTURING CO. Ltd.
25, Clerkenwell Road,

London, E.C.

FACTORIES:

Orange, N.J.
U.S.A.
+
Berlin.
+
Paris.
+
Brussels.

19th January, 1906.

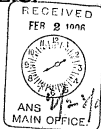
H. E. Gilmore
B. J. ...
W. E. Gilmore, Esq.,
Orange, New Jersey, U.S.A.

My dear Ed:

I this morning received your cable reading:

"Edison and I decidedly oppose negotiating Moriarity directly
or indirectly. Suggest your advising him communicate with me
You should refuse consider any proposition Do not consider
"Edbell worthy consideration Writing"

As my autograph letter to you indicated I had no idea of negotiating
with Moriarity unless instructed by you to do so. In view of the
fact that he approached me on the subject I thought it well to
advise you of the fact even though nothing of a tangible nature
was advanced by him. It is needless to say that I would not permit
myself to be taken advantage of by that outfit, not only from the
standpoint of the interests which I represent but especially as a
matter of personal pride. I was perfectly willing, however, to
permit Mr. Moriarity to say what he could and would without in turn
giving him any information or conveying to him any personal opinion
that I might have; in fact in his talk with me I stated very
distinctly that that was a matter which was entirely outside of my

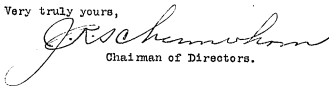


N. P. Co., Ltd.

jurisdiction and would have to be settled at Orange.

I have not seen Mr. Moriarity since his call here because of the fact that I could not find it convenient to lock him up in Paris. If he approaches me again I will simply tell him to communicate with you and, of course, wash my hands of the entire situation.

Very truly yours,

A handwritten signature in cursive script, appearing to read "J. R. S. / L. D.", written in dark ink.

Chairman of Directors.

J.R.S./L.D.

Jan. 31, 1906.

J. R. Schermerhorn, Esq., Chairman of Directors,
National Phonograph Co., Ltd.,
London, England.

My dear John:

I have yours of the 13th of January, advising as to the troubles with employes at the Brussels factory. Naturally the receipt of a cable from Riehl, as indicated, must have put you in anything but a joyful mood, particularly when we come to consider the amount of work that you have to do at the present time to get things straightened out. However, as has often been said, trouble never comes singly.

I am indeed glad to learn that some of the old hands saw the way matters were going and decided to return to work. I am rather surprised, although I cannot say that I am very much surprised, at Riehl's position so far as the work is concerned. Certainly we cannot expect people to work for us for one-half their ordinary wages when the fault is shown clearly to be ours, and I am very glad indeed that you went over and investigated the matter so thoroughly and straightened them out.

I am indeed surprised, however, to learn that the friction between Riehl and Vanderwee was still in effect. I had hoped that this had been eliminated a long time ago; in fact, my last recollection is that we decided to dispense with the services of Vanderwee, and the fact that he was retained naturally was sufficient evidence to me that he had decided to improve his ways and that he was working for the interest of all concerned, and therefore his services had been retained there.

The great trouble with us is that we do not seem to realize the necessity of having good men to take charge of important work, and this seems to permeate our entire system. I know that I am as much to blame for it as anybody else, and the result is that I have got more work than I know what to do with; what with the different connections that I have made, not only here but outside, I am kept on the jump continuously. Nevertheless, I continue to "preach" but not altogether to "practice". I am having this same trouble here with Weber. He does not seem to realize that in trying to do everything himself he is undermining his constitution, but I have brought it so forcibly to him now that I am expecting he will get on some good assistants to relieve him of a great many of the details, and the same remarks will apply equally in your case as well as my own. We seem to overlook the increasing amount of business that we are doing and we do not procure sufficient good help

2. 1/31/06.

J. R. Schermerhorn.

to take care of the natural increase. Now do not you get into that position. Take on whatever help is necessary. We are making money and we can afford to spend a certain portion of it in securing proper help to look after details, with which neither you nor myself nor Weber, nor in fact any of the Heads should be bothered under any circumstances.

I am glad indeed that you found on your return to the factory Friday morning that there was an entirely different atmosphere as between Riehl and Vanderwee, and I am sure that the talks you had produced the proper results. The only thing I can say is that when you go over again you want to note whether they have taken on the necessary foreman to look after the work, as if this foreman gets to know his business he will eventually work out a larger salable production, and this is what we are after so far as the moulding plants are concerned. I suppose that if Vanderwee had been taken ill at any time Riehl would have had to go in himself to take charge of the plant, when, no doubt, you would require his services somewhere else, and in that case he would simply be tied down. This is not as it should be, and I hope that you will eventually be able to secure the necessary good assistants that are required, not only in Brussels, but doubtless in the other plants as well.

What you tell me about the increase in the January American and February British selections is most gratifying. This indicates that your competitors are not getting all the trade.

I presume you will be writing me later on if anything else occurs and as to conditions after your next visit.

Yours very truly,

WEG/IWW

President.

CABLE ADDRESS: "ZYMOTIC, NEW YORK"
ALL A.B.C. COMMERCIAL, LEGISLATIVE, MARITIME AND PRIVATE CODES USED.

TELEPHONE:
1322 GRAMERCY.

TRADE
Thomas A. Edison
MARK.

FOREIGN DEPARTMENT
OF THE
**NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.**

FACTORIES:
ORANGE, N. J., U.S.A.

31 UNION SQUARE, COR. BROADWAY & 16TH STREET.

NEW YORK, N. Y.

LONDON, PARIS, BERLIN,
BRUSSELS, ST. LOUIS,
MEXICO CITY.

EDISON PHONOGRAPHS
AND RECORDS.
EDISON PROJECTING KINETOSCOPES
AND ORIGINAL FILMS.
EDISON PRIMARY BATTERIES
AND FAN MOTOR OUTLETS.
BATES AND EDISON NUMBERING MACHINES.

New York, U.S.A.

Feb. 8th, 1906.

Mr. W. E. Gilmore, President,
National Phonograph Co.,
Orange, N. J.

Dear Sir:-

In the early part of August of last year, Mr. H. A. Weissberger sailed from New York to Buenos Ayres, Argentine, as a representative of the Singer Manufacturing Co.

Prior to his departure, Mr. Weissberger agreed, as soon as practicable after his arrival, to look over the city thoroughly, and report to me as to the conditions prevailing with reference to the sale of Phonographs, Records, etc.

Under date of November 15th, I communicated with this gentleman, and asked his assistance in this field, if he could give it without interfering with his present work, offering to make it an inducement for him to do so, and I enclose herewith a copy of my letter. I also enclose a copy of Mr. Weissberger's reply, bearing date December 25th, which I am sure you will read with interest.

The possibility of doing a large business in Argentine is a matter that we have discussed frequently, and there is no reason why we should not do a very large business in this territory, if we

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

W. E. Gilmore,

-2-

can comply with the requirements of the trade. Our business in South America for 1905 amounted to \$31,978.17, against \$20,224.70 in 1904, an increase of \$11,753.47. Of the goods shipped to South America, more than one quarter were forwarded to Buenos Ayres, of which, goods to the amount of \$6,166.91 have been supplied to the Casa Tagini, the Columbia people's representative, they alone having purchased 32,222 Records, and a limited number of Phonographs.

We have been seriously handicapped in doing business in South America on account of our inability to meet the requirements of the trade, and the following are among the principal reasons:-

1st:- Invariably a house of any importance demands exclusive territory. Both the Columbia and Victor people do not hesitate to give territorial rights, but this is contrary to our established rule.

2nd: CREDIT:- I find that our competitors are not at all careful in extending credit, whereas we require, in making shipments to distant ports, cash with order, or a very substantial deposit, with sight draft against documents for the balance.

3rd: LACK OF DESIRABLE RECORDS:-

Aside from our instrumental music, we have a very limited number of high class Spanish, Italian and French, and no Portuguese Records. Attached you will please find a Record list issued by Cassels & Co., agents for the Gramophone Co., also a catalogue issued by the Casa Tagini, representative of the Columbia people, and by referring thereto you will note that they list at least 300 each of Grand Opera vocal selections, sung by prominent Operatic

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

W. E. Gilmore,

-3-

artists.

4th:- So far as I can learn, there is very little demand other than for a disc machine, with the possible exception of a very small type of a cheap German cylindrical machine, selling in that country for about \$2.00 U.S. gold. These disc machines obtained a foothold about the time we were supplying our old style wax Records. In making shipment of these wax Records to South America, it was invariably reported that a large percentage were received by our clients affected with a mould on account of climatic changes, and those not affected en route soon became so after their arrival. As the disc Records were not affected in this way, it became a very strong argument in their favor. I am very glad to state, however, that we have never received, to my knowledge, a single complaint that our Cold Moulded Records were affected in any way by the climate.

Then, too, another point in favor of the disc machines is, that a comparatively large shipment occupies a small space; for example, a case of Edison cylindrical Records, containing 300, measures 15'8" cubic measurement, whereas a case of 300 seven inch disc Records measures 4'5" cubic measurement, and a case of 300 ten inch Records measures 6 ft. cubic measurement. On a shipment of 5,000 Edison Records, the freight charges would be \$30.66 against \$6.54 for a like shipment of seven inch disc Records, and \$11.76 for ten inch Records.

However, even in view of the above, there is no reason why we should not do a large business in South America, and especially

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

W.E. Gilmore,

-4-

in Argentine, but in my judgment the only way in which this can be accomplished is by having a representative on the field. With a man on the field, arrangements could undoubtedly be made to carry a very complete stock of first class foreign Records as issued by our foreign offices. With these, together with our Grand Opera, Mexican and Cuban Records, and a few good Spanish Records which we have now listed, a good showing could be made.

Records could be shipped from Hamburg as cheap, if not cheaper than from New York, and the duty levied by the Argentine Customs is 25% ad valorem. I have communicated with Messrs. Maass & Schrems, prominent Hamburg forwarders, asking them to give me full details as to the number of steamship lines sailing from Hamburg to Buenos Ayres, and have also asked them for the freight rate, and just as soon as this information is obtained, I will advise you. We have several lines running from New York to Buenos Ayres, the best of which is the Lamport-Holt Line, who have sailings once a month. The other lines have no definite time of sailing, as this is regulated entirely by the freight obtainable at the time of sailing. The freight rate from New York at the present time is \$5.60 per ton of 40 cubic feet. This rate, however, is likely to be increased at any time to \$10.00 per ton.

After considering this matter, should you decide to send a representative, I am sure the right man could be secured.

Yours very truly,

Walter Stevens

Manager Foreign Department.

Enclosures.

W. S.

C.

[ENCLOSURE]

CABLE ADDRESS: "ZYMOVIC, NEW YORK."
A.L.A.B.C. COMMERCIAL, LIEBERS, HUNTINGS AND PRIVATE CODES USED.

TELEPHONE,
480 FRANKLIN.



FOREIGN DEPARTMENT
OF THE

**NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.**

FACTORIES:
ORANGE, N.J., U.S.A.

31 UNION SQUARE, COR. BROADWAY & 16TH STREET.

~~42 CHAMBERS STREET.~~

NEW YORK, N.Y.

EDISON PHONOGRAPHS
AND RECORDS
EDISON PROJECTION KINETOSCOPES
AND ORIGINAL FILMS
EDISON BATTERY BATTERIES
AND FAN MOTOR OUTFITS
BATES AND EDISON NUMBERING MACHINES.

EUROPEAN OFFICE,
15, RUE DE LA SERRERIE,
BRUXELLES, BELGIUM.
25, CLERKENWELL ROAD,
LONDON, E. C.

New York, U.S.A.

Nov. 15th, 1905.

C O P Y .

Mr. Harry Weissberger,
Apartado 453, Buenos Ayres,
Argentine Republic.

Dear Sir:-

At the present time we are not doing the business in Argentine that we feel we should, altho' by referring to our books we find that our trade has shown a decided increase all through South America this year as against the business done in previous years. Of late we have received many requests for quotations, and we are inclined to think that the time is ripe for us to do a larger business in the territory above mentioned.

I have given the matter much thought of late, and am inclined to think that possibly you might assist us without in any way interfering with your present work. I shall be very glad to hear from you in relation to the matter, and I am sure that we could make you a proposition that would make it an inducement to you to canvass the trade in Argentine in our interest. Before going into this matter to any great extent, however, I would be pleased to hear from you, as to how this proposition strikes you.

I am sending you under separate registered cover our latest

[ENCLOSURE]

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

2.

pricelists and catalogues covering all goods we manufacture, and if you feel favorably disposed, I will submit a proposition to you which I think would interest you.

Should the business warrant, and we can make the necessary arrangements, it will be agreeable to us to send our experts to South America and take a number of special Records which will prove attractive to the South American trade.

There has been an objection in the past that our old style wax Records were affected by the climate, but this trouble has been entirely overcome, I am sure, since our Gold Moulded Records were placed on the market. These Records, as you know, are not indelible, but can be handled without fear of injury, and we have yet to receive a single complaint that they have been affected by climatic changes. Another objection has been offered to the effect that we have not been in a position to supply high class Records. For your information, would state that we have procured a number of Records sung by some of the most noted Opera singers in the world, and these Records we expect to be in a position to supply soon after the first of the year. We enclose herewith a list of ten selections which will be among the first we put out, and other lists will be issued from time to time. By referring thereto you will note one selection by Heinrich Knote, called "the German Caruso", who, as you are no doubt aware, is very popular at the Metropolitan Opera House, New York. We would also refer you to the selections by Dippel, Scotti, Van Rocy and others. We have not decided definitely as to the price of these Records, but this will not exceed \$1.00 each list, and there is a possibility of their

[ENCLOSURE]

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

3.

being supplied at 75¢ each.

Hoping to hear from you in the near future, in relation to this matter, and with kind regards to Mrs. Weissberger and your goodself, I remain,

Yours very truly,
(Signed) Walter Stevens
Manager Foreign Department.

W. S.

C.

Enclosure.

[ENCLOSURE]

Mr. Walter Stevens,
Ugr. Foreign Des't.,
National Phonograph Co.,
31 Union Square, New York.

Buenos Aires, Dec. 25th, 1905.

Ans 4/1/06

Dear Sir:-

I am in receipt of your est. favor of Nov. 15th, which reached me on the 22nd inst., and thank you very much for your offer to make me a proposition which would make it an inducement for me to advance the trials of Argentine in your interest.

I regret very much to state that it will be impossible for me to take up a sideline as it is and always has been my principle to serve only one master at the time and to serve him well.

However, I shall be very glad to furnish you with the following report as well as give you any other information you may desire from time to time. For reasons which you are familiar with I am taking a lively interest in the welfare of the Foreign Dept of the National Phonograph Co., and in accordance with promise made to you before my departure from New York, I have tried to gather information for you which I hope will be of interest and advantage to you.

Before going into detail regarding your line of business, shall try to give you an idea of the Republic of Argentine, knowing that most American concerns are inclined to underrate the business possibilities of Latin-American countries in general and Argentine in particular. As far as Argentine is concerned, it is due to the fact that very little capital is represented here, and that the United States have neglected to establish proper commercial connections with this Republic.

Argentine is one of the wealthiest countries on the globe. It is an agricultural country, products exported to Europe, and therefore a serious competitor of the United States. The cattle raised here are the finest in the world; the highest price ever paid for a bull was paid last month at an auction at B. A., amount being \$800,000 Nat. curr.. Fine horses are bred, and in sheep raising and exporting of wool Argentine is a serious competitor of Australia. The province of B. A. is one of the richest landscapes I ever laid eyes on, not as far as scenery is concerned- being perfectly flat-but on account of the thousands of cattle grazing on the fields and of the richness of the soil. The numerous and large packing-houses are very much up-to-date in every respect, in fact the new process of chilling meat instead freezing it originated in Argentine, and the packinghouses here supply Europe, and the renowned "Liebig's Meat Extract" is prepared in this Republic. They have their own steamers and docks which facilitate their loading and unloading cargo. Over 2,000,000 head of cattle are killed yearly in B. A. Argentine, and the number is steadily increasing. The facilities

[ENCLOSURE]

E.S.--2--

for transportation are very good. There are a great number of navigable rivers and channels; the Rio de La Plata on the mouth of which Buenos Aires is situated has such a wide outlet that it takes over 12 hours on a fast steamer to cross same. Montevideo, the Capital of Uruguay is situated on the other bank of the river and a few steamers are crossing every day between the Capitals of the two Republics. Railroad and Telegraph connections are all over the country, the trains being fitted out with dining cars and sleepers. The smaller cities in the Republic are laid out nicely in squares and most of them have electric light. All these little cities are less Latin than any place of similar size in other Latin American countries.

The city of Buenos Aires is one of the most beautiful and modern cities I have ever seen; very much like Paris or Vienna, and will stand favorable comparison with any city in the United States or Europe of like size. After having traveled and lived for years in different European and Latin American countries, I naturally did not possess the idea of the average American, to find Buenos Aires something of a wild and neglected place, but it will surprise you to hear that it even surpassed my keenest expectations. There is nothing Latin about E.A. excepting the language spoken. A net of electric cars all over the city, telephone connections, messenger-service, large and modern houses, fine theatres, up to-date newspapers, well paved streets, the majority being asphalted, and particularly well lighted; fine carriages, automobiles, free libraries, over 150 schools and colleges of different languages and denominations, modern hospitals, a number of good native life and fire-insurance companies (without Mc Calls or Hydges) etc.

The most important newspapers are the "La Prensa" and "La Nacion"; the first is the best and most influential paper in all South America, and considered as one of the foremost papers in the world; these newspapers appear in editions from 14 to 20 pages, have good editorials, direct cable connections with Europe and the States, and show that the modern advertising-spirit prevails in the Republic. La Prensa occupies a magnificent palace, has a free school for languages, a free conservatory of music, free clinic with specialists for all kind of diseases, a free chemical laboratory for the analyzing of agricultural products, a large free library, free rooms for workmen meetings, elegant, free accommodations luxuriously fitted up for persons of renown visiting E.A., besides a permanent exposition of products of the Republic.

Thirty-nine banks with branches all over the country. Some of the bank-buildings would do honor even to New York. There is such an abundance of money in this country that the highest rate of interest paid is 3 1/2 % and this only, if the money is left as a standing deposit for six months. Money on mortgages can be loaned as low as 5%, an exceptionally low rate of interest for a Latin-American

[ENCLOSURE]

ES.---8--

country. Mexico which is considered rather a modern city cannot compare with E.A.

The population consists mainly aside from the natives- of Italians, Irish, German, English, Hebrews and the descendants of these respective nations.

There is a small number of Americans here, and I regret to say that most of them have left the States for the benefit of their country and to the detriment of Argentine.

The capital is mainly English and German; the former predominates. The large Packing-houses, railroads, the most prominent banks and the wool market are controlled by English capital.

As far as advertising is concerned the Argentine takes to advertising like the fish to water. They advertise in newspapers, streetcars, and posters are seen wherever there is room for them. The Ads are clever and modern. While I consider the Argentine not as pushing and quick in his business methods as the American, would say nevertheless that Argentine cannot be classed among Latin American countries, as this word is generally interpreted, i.e. dirty antiquated, slow and unstable. As mentioned before this is an agricultural country and having had eight good seasons in succession, the wealth and progress of this country is assured in such a way that one or even two poor seasons could not affect conditions very much.

The currency in this country is Silver and Gold; the silver currency circulates in paper and nickel; one gold peso is worth \$2427 silver nat.curr; this being a standard fixed rate of exchange fixed by act of congress. One American Dollar is worth \$2427 \$2.35 1/2 of this currency-also fixed exchange. To illustrate the possibilities of Argentine--- a large Canadian printing-machine concern sent down a representative some time ago, who within four months took orders for over half a million dollars Gold, so that this concern opened up a branch down here, and are enlarging their factory now, in order to fill the orders sent from here. Just think of it! an old established northern concern to be compelled to enlarge their factory in order to meet the demand of Argentine.

After having tried to give you a fair idea of the country and conditions, I shall give you my ideas as far as the prospects here for your business are concerned.

The Phonograph or "Fonografo" is practically unknown in Argentine; the talking machines are known down here as Gramophons or Graphophons. The Victor and Columbia people are well represented here and are doing an immense business. Aside from the machines sold in E.A. I have found in remote little places in the Provinces GRAMOPHONS used at Hotels to entertain their guests during meals. Besides newspaper I am sending you some printed matter obtained from these two houses. The Columbia people are represented by the "Casa Tagini" who have a large and beautiful store in

[ENCLOSURE]

U.S. ---

the best part of the City on the corner of the two main streets, Calle Florida and Avenida de Mayo. They also sell language outfits, the Rosenthal system at \$150 nat. curr. (\$63.69 U.S. Curr.) complete with records and text-books. At present they have only records from Spanish to English. The Victor Talking Machine Co., are represented by a large importing house on Calle Florida, Messrs. Cassels & Co., who have recently established above their store large and elegantly equipped parlors which are devoted entirely to the display and sale of Victor machines. From their catalogue which I am including under separate cover you will note that they have a good assortment of records and I would call your special attention to the leaflet marked "BISPERTORIO NACIONAL", containing national pieces. Their window exhibit is in the form of the largest size Gramophon placed inside of the store with an immense horn extending through the upper part of the window into the street. This machine is being played every evening until about 10:30 (store closes at 7 P.M.) and attracts large crowds. A splendid advertisement!

Both stores mentioned advertise extensively

I regret to state, therefore, that at the present time there is no demand for the Edison Phonograph on account of a demand not having been created. The name of Edison, however, seems to have a good commercial value here, as same is used to advertise many articles such as fountainpens etc.. In as much as the Phonograph would be the last Talking-machines to be introduced in the Argentine market, it will be a more difficult task now than it would have been a few years ago.

After having left the field open to your competitors for so long a time permitting them to get a good foothold here, there are but two things here which I can suggest, --either keep out of Argentine entirely, or get in on a large scale ready to meet and conquer the competition. While I have no doubt that you could easily find a large businesshouse here to represent you, but who in view of the large competition would exact a large allowance for advertising and demand concessions which you probably would not be willing to meet, it appears to me that it would be more advisable for your Co. ~~xxxxxxxxxxxx~~ to open up a large store solely under your control in a prominent location of the City of B.A. with a complete line of your goods, i.e. phonographs, coin-slot machines, kinetoscopes, films, numbering machines etc. Please, consider that the advertising paid for by you to a merchant-representative would help that concern to push and advertise their own goods, while your line would probably be considered as a mere attraction for the customers of their own goods, and the results as far as the sale of Edison Phonographs is concerned would not be satisfactory to you.

In the event of your opening your own store, the Gral. Mgr. of same, to engage and instruct canvassers as to the sale of the goods all over the country. Later on, if business warrants a branch-office could be opened at Rosario (the second

[ENCLOSURE]

W.S.---5

Capital of the Republics also one at Santa Fé, both cities having a population of 100,000 respectively.

It will be necessary to advertise judiciously, but extensively. The man whom you need down here, must be a shrewd and thorough businessman, good salesman, and in order to make the venture a success, he must also have a good knowledge of the Spanish language and Latin countries, --and above all must be a splendid organizer. I know from experience how difficult it is to get competent salesmen here, therefore your representative must have the ability to pick out the right kind of men, to train them in and show them how to hustle. It may be hard for you to find a man possessing all the above qualities combined with a thorough knowledge of the Phonograph-line, therefore permit me to say that it is very much more essential for the success of such a venture that the man possess every one of the qualities mentioned above, and rather be somewhat deficient in the technical knowledge of the Phonograph, than understand every detail of your business and not be an organizer nor understand country and customs. for you will agree with me that it is easier for a man to acquire the technical knowledge necessary than vice versa. I dwell upon the importance of this point as my experience in Latin American countries has shown to me a number of instances where the success of large American enterprises was seriously handicapped by the representatives not understanding countries and customs, and trying to force in a radical way American methods upon the people, instead of educating them up to such methods.

The population of S.A. is better educated as far as art is concerned than the population of Mexico (at which place I know that you are doing a large business) while Mexico has only a few small theatres in which are played "Zarzuelas", -- insipid one-act plays, originating from Spain -- having only one larger theatre where occasionally Italian Companies produce Grand and Comic Opera; E.A. as mentioned above has a great number of theatres, and we had during the season-- at the time of my arrival three Italian Opera Companies here as well as Sarah Bernhardt and Coquelin at the "Cdeon". La Tosca which I have heard in several European Capitals, in Havana, Mexico and at the Metropolitan Opera House in New York I heard again here at the "Follies" and do not hesitate in stating that I could range the performance at E.A. next to the one at the M.O.R. The deceased Tamagno used to sing here frequently, and Caruso made his debut in this city. No money is spared in engagin the best talent for E.A.

As stated above there is a large contingent of Italians here, and a very much better and more educated class than in the U.S. Knowing what Italy means to Music you will appreciate how fond of first class music the population here must be

[ENCLOSURE]

W.S.---5-

Therefore there should be a good market for Italian Opera records as well as for Italian humorous dialogues. The Italians here are mainly from the north and not Neapolitan like the majority in the States; the Neapolitan being a very ordinary dialect would not have a very large sale here. There would also be a good sale for Hebrew and Irish dialogues and songs, as well as English (British) and German selections. Also Spanish selections, -not Mexican, but genuine Spanish selections (jota, andaluces dialogues etc.).

At the Coliseo Argentino, a large theatre on the style of the N.Y. Hippodrome they have a kinetoscope which machine is also used at the Casino and large fashionable restaurants. The films used are exquisite, plain and colored, and from the topics would judge them to be of German and French make. At the Casino, however, I saw one night the Edison film, entitled the "Great Train Robbery" which was well reproduced and received with great applause. Should your prices compare favorably with those of German and French film manufacturers a large business could be done.

In regard to advertising matter would advise you to have all printing done here, as I have found through experience that the duty on such matter is also equal to the cost of printing same here.

In regard to sending an expert for the recording of native records, this would have time until you are established, as there would be a good demand in the province and on the plantations.

Once established in Argentina you could branch out gradually to Uruguay, Chile, Peru, and eventually Bolivia. Regarding Brazil would say that it is a splendid market, but conditions there are somewhat complicated for importing on account of the great fluctuation in exchange but as my stay there was only of a few days duration, am not in the position to give you more detailed information.

I thank you for the catalogues sent me, which I perused with great interest.

So far have had no time to obtain information regarding duty and freight on goods of your line, but should you be unable to obtain this information at your end please have I shall be glad to furnish you with same.

Trusting that the above will be of service to you, I beg to remain

Very truly yours,

A. M. von S. Berger

Telegrams & Cables, "RANDOMLY, LONDON"
Code 4820. A. I. A. B. C. COMMERCIAL
LETTERS AND NUMBERS

TRADE
Thomas A. Edison
MARK

Phon. - Manuf.
Telephone
No. 5050 HOLBORN.

FACTORIES.
ORANGE N.J. U.S.A.
BERLIN.
PARIS.
BRUSSELS.

IN REPUBLIC ADDRESS THE COMPANY HAS
THE INITIAL AND MENTION THESE INITIALS

NATIONAL PHONOGRAPH CO. LTD.
EDISON PHONOGRAPHS & RECORDS.

25, CLERKENWELL



THOMAS A.
EDISON'S
PHONOGRAPHS,
GOLD MOUNTAIN
RECORDS,
PROJECTING
MOTION PICTURES,
ORIGINAL FILMS,
BATTERY PAIN
MOTORS,
PRIMARY BATTERIES.

February 23rd, 1906.

W. B. Gilmore, Esq.,
Orange, New Jersey.

My dear Sir:

Your long newsy letter of February 3rd giving an outline of the business conditions was duly received.

Things are certainly "booming" with you, and I was particularly surprised to find that you were so far behind on record orders. I assumed that the increased facilities would enable you to keep pretty close to the demand. I see the machine orders are also good.

The same condition confronts us. We are a way behind on the shipment of records, and as you know likewise on machines, that is, on "Gams"; on other types we are even with the game. You are getting weekly reports and know the amount of business we are doing, and of course all of this could be increased were we able to get more records and more machines. We have suffered particularly on the record business. I was anticipating that Rishl would be turning out about 75,000 records per week from January 1st, but instead of that he has dropped down to below 40,000, and has been above 50,000 during one week only. He writes me that he is now getting over 60,000 per week, and is looking

N. P. Co., Ltd.

for an increase. The great trouble is, however, that we cannot get the business that has been lost, and it is unfortunate that he will reach his highest production just about the time when we won't want the stuff.

I don't know that I can criticise your Pay Roll, although the average per hour does seem rather high considering that you are using so much cheap help. However, when things are on the "boom" you must expect to pay.

The January sales were fine. You must have gone close to 400,000 for the entire month. Apparently you have not been able to reach 6000 phonographs per week. What is the matter - lack of capacity?

The present state of the business situation both with you and with us is another object lesson to us to keep things moving during the summer. There is no question at all but that I could have sold 10,000 more machines, and without a doubt you could have sold as many more - a clear loss due to lack of stock and so forth.

I am in hopes that conditions will be such that during the present summer you can accumulate a very considerable stock. It, of course, is not absolutely necessary that the machines be assembled complete, but they should figure out a scheme to get parts ahead.

I notice the outlook in the Commercial Department is beginning to be encouraging, and I believe it is a coming business. It is one of the kinds of business that will not come fast, and it will need constant application on the part of everybody.

N. P. Co., Ltd.

By the way in writing you on this subject in another letter I neglected to say that as per your suggestion you might send on a couple of machines; as a matter of fact one will do inasmuch as we have two or three of the old type on hand.

Letter 1/24/06

Mr. Edison certainly is not bashful, and I imagine that he would always go you one better. You, however, have been up against it so long that suggestions are not necessary.

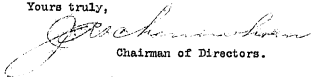
We have on our books a total of 44 factors, and I don't want to say anything about the dealers. Our records indicate that there are between 7000 and 8000 dealers, but investigations which are being made by our travelling men show that from 25 to 75 per cent of the names do not represent people doing business. They have been signing as dealers anybody who came in and bought a couple of dozen records, provided he was doing any kind of business - piano-tuners, bicycle repairers, and others of like ilk. These people live in private rooms, in which they do a little repair work, and as a matter of fact are selling records and occasional machines as a side line, possibly at cut prices. We are endeavouring to eliminate as many of them as possible, but the conditions over here are such that I am afraid that this situation will always confront us. When you get over here I will be able to tell you a whole lot of things that I never suspected and that you don't suspect as to the way in which business is conducted over here. There is a lot to be done, but I have come to the conclusion that we have got to conform to existing conditions. It will be too long a job to make people believe that the American way is better than theirs, and of course it is purely a question of surroundings. Over here it is the many small shops that do the aggregate business.

N. P. Co., Ltd.

whereas in America most of the business is done in the larger shops. As a matter of fact they have 5 or 6 small shops here to 1 in America. However, as above stated there is a great deal of business done here in all lines, and the talking machine line at the moment is very prosperous.

I had a letter two or three weeks ago from "Cliff" Garrison in which he advises me that "C.M." was stopping with him. It would seem from the reading of his letter that they are pursuing a different plan from that first outlined.

Yours truly,



Chairman of Directors.

J.R.S./L.D.

THOMAS A. EDISON,
PRESIDENT.

W. S. MALLORY,
VICE-PRESIDENT.

J. F. RANDOLPH,
SECRETARY - TREASURER.

EDISON STORAGE BATTERY CO.,

EDISON LABORATORY,

TELEPHONE "907 ORANGE."

ORANGE, NEW JERSEY, March 12, 1906.

Thomas A. Edison, Esq.,
Fort Myers, Florida.

Dear Mr. Edison:

Note attached letter received this morning from Marks, relative to a company being exploited by your old friend (?) W. D. Stewart. This man is another "fakir". I have simply acknowledged the letter from Marks and I would like to know what further I shall say to him.

Please return with your comments in envelope enclosed.

Yours very truly,

Enc-C



I doubt how we can stop
him — £



[ENCLOSURE]

S. Croxson, Marks
SPECIALIST
Consulting Engineer & Patent Expert.

TELEGRAPHIC ADDRESS: GIFTEDNESS, LONDON.

LONDON 936, HOLBORN.
BIRMINGHAM, 285.
MANCHESTER, 4272.

W. G. AND AT 20
13, TEMPLE STREET, BIRMINGHAM
30, CROSS STREET, MANCHESTER



18, Southampton Buildings,
Chancery Lane,
London, February 28th, 1905

Dear Mr. Gilmore,

I cabled you and have received your reply, also one from Mr. Edison respecting Stewart. I have seen this gentleman this afternoon and enclose you copy of prospectus that I obtained from him.

He tells me that he is not actually associated with Mr. Edison now but he has been and that Mr. Edison told him last year that the battery was now quite perfect, also that he saw Mr. Bergmann in Berlin about Christmas time and arranged with him that he would take over his Controller and that he could get as many of the batteries as he wanted for this country from Bergmann's works.

I suggested that the prospectus was misleading in that it contained a statement about Mr. Edison's battery although it did not say that they were the sole people who were going to supply these batteries, to which he replied that he was not the sole person concerned in the battery and in fact he did not care who sold them, it would be his controllers that would be needed, consequently the more batteries there were sold the better for them.

You will notice that the prospectus is very artfully drawn it does not hold out any suggestion that it is associated with Edison and I have therefore preferred to send you this copy that you might consider

[ENCLOSURE]

G.C.M.

W.E. Gilmore, Esq. 28/2/06.

Page 2

it before I take any steps against the man. It is not quite as bad as I expected, but it is clear that he is trading upon his past associations with Mr. Edison and he has hanging up in his office, which is one room on the fifth floor in a big building, a photograph of Mr. Edison signed by him twenty years ago I think, which Mr. Edison presented to him.

I did not make myself known to him but said I was enquiring from an investor's standpoint.

Yours faithfully,

W. Lloyd Garrison

SHEET NO.

DATE,

EDISON PHONOGRAPH WORKS

Phon. - Manuf.

March 13, 1906.

PRIVATE

J. R. Schermerhorn, Esq., Chairman of Directors,
National Phonograph Co., Ltd.,
London, England.

My dear John:

Your letter of the 20th of February, enclosing trial balance for the ten months' business from March 1st to December 31st, 1905, as well as the copies of preliminary and final trial balance and journal entries, came to hand, but I have only recently had an opportunity of taking up and going through everything.

I must say that the showing is a very poor one indeed, I do not know what Mr. Edison is going to think of this statement, but, as I have already written you, he is now in the South and will not get back until early in April.

GENES.

It is a peculiar thing that there is a loss of 27 Gem machines, whereas you are over 47 Standard, 57 Homes and 8 Triumphs. I do not understand how this can be, unless it is that the system of checking in and out is radically wrong. I am assured, however, by Squire that the same system was in vogue there as is in vogue here; and try as we may and figure as we can, neither Westee nor myself can understand how this can be. Of course this agrees with you, and I fully realize that you must have gone into the subject most thoroughly with Buehler and the other people without any results. I can only hope that as you begin to check back on the different type machines, you may be able to discover some errors that will correct these figures so far as all other types of machines are concerned.

SHEET No. 2. DATE, 3/13/06.

EDISON PHONOGRAPH WORKS

J. R. Schermerhorn.

RECORDS.

The shortage of 149,051 records is a staggerer. When you come to think that this means a loss of 600 records per day, more or less, it is absolutely inexplicable. We have tried to picture how this could happen here on an exchange proposition or on a breakage proposition, but the only solution we can reach is that there has been a lot of records shipped out that have not been billed or that there was a tremendous lot of stealing going on during last year. Of course, if the latter is the case, then there must be collusion, and after interrogating Squire he told me that whilst White was away over here the last time he discovered that a man in the Shipping Department was stealing and discharged him, and he then suggested that Bray be placed in charge so that we would know that we had an honest man at the Shipping Department. He further tells me that this class of employees has to be watched very closely, as he knows that recorders and reproducers were stolen right off machines in the show room and they would not hesitate to steal about anything they could lay their hands on. I must say, however, that after considering the matter from all phases, I cannot understand how there could be such an enormous shortage as this. Of course the question as to the credit allowed factors records is a good deal to allow in this way. The broken record proposition, of course, has a great deal to do with this, and the references you make, as to having found a small piece of wax in one of the boxes, would indicate that our people over there are no better than they are here and will take advantage of every opportunity so long as it benefits themselves. Of course I do not mean this literally in every case, but we do know that a certain percentage of the trade are always endeavoring to get something for nothing, legitimately or illegitimately. Of course this may account for a large part of the shortage, but, as stated above, not to the extent of 150,000 records.

GENERAL COMMENTS.

Just on this general subject I can only say that although your advertising has been increased materially, I am not certain whether the increase has been beneficial or not. We are spending a great deal more money over here than we ever did before, but whether the money spent in the same way abroad is beneficial is a question that you must determine.

I notice that the item of rent has been materially increased, and I presume that this is due to the taking on of 105 John St.

I notice that Packing and Boxing is £110/9/8 as against £35/7/0 for 1904. Is this not a very large increase? Possibly it is due to the extra packing of goods since the addition of 105 John St., but nevertheless I would like to know what it does represent.

INSURANCE.

I note that this is almost double.

3. 3/13/06.

J. R. Schermerhorn.

ADVERTISING.

Reverting again to this matter, has any limit been placed upon the Advertising Department? They are getting close to \$50,000 a year, and I do not think that they ought to expend any such amount of money for the British Isles alone; I think it is entirely too high. It seems to me that just as good work could be done at a less expenditure, and the amount should be kept within \$20,000, if possible. Of course I do not want to insist upon this, but suggest it, with the idea of having you look into it at your convenience and then let me know your views.

SALARIES.

I see that this amount has gone up materially, being \$479/16/9 as against \$259/0/6. I do not want to curtail this expense, providing they are doing good work. It is a matter, of course, that it might be well to look into.

BAD DEBTS.

This is a staggerer, but it is better that it should be written off and cancelled than to carry it forward any longer. One item that strikes me unfavorably is the Lofthouse account. White has always assured me that this was something that Mr. Marks had engineered and backed, but when I interrogated Mr. Marks about it he was simply incensed and stated that he had nothing whatever to do with it. The Phonograph Supply Co. account is one, of course, that I am familiar with, and I presume that there is nothing to do but take the blame regarding it. It was never my intention, however, that they should be given goods to any such extent, and therefore there is nothing to do but stand the loss. I know nothing about the Imperial Industries Co., who owe us \$420, nor do I know anything about the Anglo-American Co., although on second thought, possibly this is the Italian Company with whom we have had dealings for many years past. These matters, of course, I must leave in your hands. So the Warwick Trading Co. owe us £51/12/9. I wonder if White will ever begin to realize that friendship in one thing and business is another. The great trouble with him is that a pat on the back or an invitation to dinner or theatre or an introduction to so-called royalty, seems to turn his head. These accounts have been opened without any idea of looking up the individual or company's standing in the business community. I venture to say again that if it were his own money he would be very careful as to how far the credit was extended. I note your explanation regarding the item under "Special Records", and have also noted the decrease in Accounts Receivable and Accounts Payable, all of which are very thoroughly understood. Mr. Westee does not at all question the item of Cash Sales under Individuals & Companies; in fact, he considers, and I agree with him, that this is the only way to carry it where cash sales are effected, and th us close the transaction without opening numerous small accounts.

Generally speaking, I do not see that I can comment very much on the report as a whole, inasmuch as you have gone into it most thoroughly and can see how important it is that something radical is done to bring this business down to a working basis. The talks that I have heretofore had with Mr. White seem to have amounted to nothing. The whole idea seems to be to spend money, whether we are making it or not, and no individual or company can expect to continue if the business continues to operate at a loss, and the sooner Mr. White realizes that any business must be operated intelligently, systematically, carefully and with all possible economy, the better chance he will be to serve his employers, or, for that

SHEET No.

DATE,

EDISON PHONOGRAPH WORKS

4.

3/13/06.

J. R. Schermerhorn.

matter, himself. I am naturally very much disappointed at the showing, and a loss of \$25,000 (without considering the payment to Thomas A. Edison) is a bad one; and it looks as though Mr. White has lost whatever administrative ability he ever had, and it would be better for the National Phonograph Co., Ltd., to secure somebody who will work for their interests.

As an object lesson, it is nice now to look on the other side of the page and go over the figures submitted by you of the business done in January, 1906. This shows that you have made the turning point, and I can only hope and wish that it will continue. I realize, of course, that during the Summer period we may not get out whole, even, but nevertheless it is a satisfaction to know that 1906 will have an altogether different showing than 1905.

I want to congratulate you and Euehler as well on the very full reports that have been submitted, which are very clear indeed, and I shall not hesitate to indicate to Mr. Edison the fact that the conditions of 1905 are not anything with which you had to do and that 1906 is beginning in the way that we all expected it should.

With best wishes to your good self, and asking you to remember me to Euehler as well, believe me to be,

Yours very truly,

WEG/IWW

President.

SHEET NO.

DATE,

EDISON PHONOGRAPH WORKS

March 16, 1906.

J. R. Schermerhorn, Esq., Chairman of Directors,
National Phonograph Co., Ltd.,
London, England.

My dear John:

I duly received your favor of the 13th of February, having reference to the exchange proposition, but I did not consider it necessary to write you at once about it, in fact, I preferred to wait to see what the effect would be. I do not know that I have any comments to make on the conclusions reached by you. Of course, if you think that the three to one proposition is all right, go ahead.

My reason for making the two to one proposition, of course, looking at it from our standpoint strictly. You know that a great many of our jobbers carry a very large stock, and where one of them should return a total of say 10,000 records of his own I did not want to load him up with 30,000 other records and then have to take back part of this 30,000 records when we again made an exchange. However, this is a matter that must be governed by local conditions and I am satisfied that the two to one arrangement for us will be more satisfactory all the way around. I hope that the three to one arrangement with you will make the factor increase his stock materially so as to make it representative.

So far as broken records are concerned, I do not agree with you. They have taken advantage of us before, and from information that I received indirectly, to the effect that dealers were accumulating broken records, purely with the idea of exchanging them, I decided that we would not take them back under any circumstances. I think you are going to find out the same thing; in fact, ~~some~~ a letter that I received from you subsequently you told me of a case where a piece of wax was found in a box instead of a record. This is exactly what I intended to indicate to you in my previous letter of the 31st of January. Human nature is human nature, and if a man is inclined to be crooked he is bound to take advantage of you if he can. However, the deed has been done, so let us see what the result will be.

You say that the question of permitting dealers to return broken records is a different proposition. Now how are you going to tally? A dealer here will purchase from, say four different jobbers; if one jobber refuses to take back what he offers he will

SHEET No.

DATE,

EDISON PHONOGRAPH WORKS

2.

3/16/06.

J. R. Schermerhorn.

immediately turn around and offer them to another, who will accept the return, figuring that he will get the new business. I do not know whether this same rule applies to you or not, but I imagine that it does. You may prohibit it to a certain extent, but remember that people with whom you are dealing are in a great many cases just as smart as we are, and very often they think they are smarter. At any rate, if they can get the best of you I am satisfied that they will do it, and my experience with the English trade, or some of it that I have met, leads me to the opinion that they will take everything you will give them and then ask for more; in other words, they are of the Oliver Twist style. "Enough said".

Now in regard to the time in which they are to be allowed to return records, I am still of the opinion that we have got to pursue this course, else we will open the door to such an extent that the dealers will take advantage of the opportunity and keep returning records continuously, even going so far as to offer exchanges to their customers. I realize, of course, that there are going to be exceptions such as you indicate, and, as I think I have written you, where we have any such quantity as that indicated, of 19,000 records, or even less, it is not our intention to insist upon the jobber taking double the quantity within a specified time, but we purpose giving him an extended time in which to take the double amount so that he will always keep a fresh, up-to-date stock, rather than accumulate a lot of records that would eventually be returned to us on another exchange proposition. This is exactly what I want to avoid. Your plan seems to be all right and it agrees exactly with what I want to do. I hope that the situation will straighten itself satisfactorily.

I note that you intend to keep the dealer within bounds and give him about ten days in which to make his returns. This is as it should be and is my idea of it.

I note that all records will have to be returned to London and naturally this is going to put you to a great deal of trouble. I had overlooked the fact that in sending them back to Brussels duty would have to be paid. As you say, it is a needless expense and the records might better be broken up and returned as wax. There is no question but that you will have to introduce some method of crediting these records as fast as returned, and if the quantity is correct that is about all you can pass upon. I do not see how you can make a test of each and every record to determine whether it is to go into stock or go into the pot. I am satisfied that if you try to test each and every record the expense would be too great for the number of records that you could put into stock.

Of course the conditions as to dealers is entirely different there and I am rather surprised at the illustration that you make, as to a factor sending in an order for a total of 20 records of the January American and February British lists. Of course these little fellows cannot hurt very much. I realize, of course, that there are going to be individual cases that you will have to pass upon, but generally speaking the arrangement can be made effective and go right ahead.

SHEET No. DATE

3. 3/16/06.

EDISON PHONOGRAPH WORKS

J. R. Shornerhorn.

You ask me whather I expect to go over to Europe; I very much doubt it. I know that there are a great many things in which I could help you materially if we could only get together, but since the New York case has been decided against us and since the business is growing so enormously here, I do not see how I can arrange to get away at the moment. Personally I am under the impression that what you will have to do is to arrange to come over here; and whilst on this subject, I would say that we concluded some little time ago to have that jobbers meeting that was talked about last year. We are going to hold it July. I am enclosing you herewith a memorandum showing the itinerary. It seems to me that you ought to try and come over here at that time. It is quite a ways off and you have lots of time to think it over. On the other hand, I suppose I could do a great deal more good if I went over there, but really I do not see how I am going to do it, as there is no one here that I could leave entirely in charge. You know this perfectly well. There are so many questions that come up almost daily which require my decision, and if I went away and left it to others they would naturally be afraid to act, and if they appealed to Mr. Edison it is a question whether they could get any decision from him, as of course he is not at all familiar with details and he might decide absolutely to the contrary, that is, from my standpoint. You know that whilst I have been away before things have happened this way and I hesitate to give him further opportunity to do so. He, of course, means well, but nevertheless he is liable to make a decision that might materially affect the future business. I think you understand what I mean.

Yours very truly,

WRC/IWW

President.

SHEET No.

DATE,

EDISON PHONOGRAPH WORKS

✓ Record made
✓ Ford, Flora

March 18, 1906.

J. R. Schermerhorn, Esq.,

C/o National Phonograph Co., Ltd.,

London, England.

My dear John:

This is Sunday morning and I am all alone at the office with Walker, and I will now take up your private letter to me of the 2nd, which I mentioned having received in a letter I wrote you during the week.

To say that I was astonished does not express it, when I received your communication. I am exceedingly surprised at what you tell me about Squire. He has never intimated to me that the differences as shown on the statements that you sent me transpired subsequent to his leaving London. In fact, I made it my business to interrogate him most thoroughly on the situation to see if he could help towards a solution, but without success, and, as I have already stated to you, I am satisfied that you have done all that you possibly could, together with Buehler, to try and find out why there was such a heavy loss, particularly in the record account. Of course I have not interrogated him on the subject of his connection with the concern that you mention, as I do not consider it wise to do so, and there is no question but that he would deny it in toto. In all the conversations that I have had with him relative to Hunting he has always spoken disparagingly of the gentleman, and I had no idea that he was advocating the sale of the Sterling record.

I have not asked him anything about the Flora Ford contract, and will not do so, unless it is your desire that I take up all of the personal questions that you raise in your letter, but as I consider that you have written it in strict confidence I have refrained from saying anything to him about any of the matters. In previous correspondence that I had from White at the time, it was thought wise to take on this lady. I was led to believe that she was something extraordinary and that it was necessary that we make this contract with her in order to avoid her being taken up exclusively by the Gramophone people. I have always been under the impression that White thoroughly understood the transaction and approved it, and therefore I have never referred to it since Squire's return. It would seem to me that as White was in charge he should have been thoroughly familiar with what was going on and not have made a contract that would be detrimental to our interests; I do not mean absolutely detrimental, but would at least have made a contract as good, if not better, than the arrangement made with other talking machine companies.

Now in regard to his signing letters as "Assistant to the

SHEET NO.

DATE,

2. 3/18/06.

EDISON PHONOGRAPH WORKS

J. R. Sohermerhorn.

President, it has never been my intention that he should supplant you in any way whatever. It was absolutely imperative that somebody should relieve me of the details, and all that Squire is doing is to look after the general correspondence and answer all communications having reference to production, shipments, etc. He does not attend to any of the inside workings, nor has he to do with any of the details as to reports, bank balances or in fact anything else of that kind, as you seem to think. I was compelled to get somebody to assist me. I have looked all around and he was the only man that I could decide was available to take up the correspondence having reference to the production and, consequently, could attend to it far better than anybody else that I had around here. It is absolutely impossible for me to attend to all these details. It was necessary to give him some appellation, and after due consideration I decided that the signing of letters in this way would not be at all detrimental, any, frankly, I did not want all letters going out of here, dictated by him or anybody else, signed in my name, as no doubt a great many of the letters would not do justice to myself, so I simply instructed him to use that title and thus sign all his letters himself. I know of no one else that I could have put in to attend to the work here. I have been watching him just as closely as I would anybody else, and I fail to find anybody who has complained of his taking advantage of his authority; and if he did, rest assured I would be the first to stop him from infringing upon the rights of others. I never for one minute thought or had any idea of placing him in a position superior to your own. You have always been in my mind, and the arrangement as made between Mr. Edison, you and myself, which was thoroughly understood, has never for one moment left my mind; and if the time should ever come that I should leave these interests, it has always been my hope and wish that you would succeed me in the work, and further, I will say that should such a thing happen, it will be my great pleasure to advocate very strongly the appointment of yourself as my successor. You are thoroughly familiar with practically everything that is going on here, except, of course, for the last few months since you have been abroad, and I have told you a great many things that I have never told anybody else; and in thus giving you my confidence it was always to the end of keeping you acquainted with what was going on, so that you could be prepared to meet any possible condition that might come up at some later time. Squire's authority amounts to nothing; he has no authority whatever. He is nothing more or less than a Chief Clerk, and although I may have erred in granting him the title, still it was not intentional and might have been done without due regard for the feelings of others. I never knew all that you have told me in your letter, and I want to say right here that since he has been attending to this part of the work to take a great deal of interest in his work. Naturally I am now placed in a rather embarrassing position, and if I find that he is endeavoring to take advantage of anything or anybody, rest assured I will do the needful, and when it becomes necessary you know perfectly well that I can do it. In the meantime, immediately I received your letter I instructed him to discontinue signing his own name and title to letters going abroad, substituting my name in place of it; but I want to again reiterate what I have stated, that he is not here for the purpose of replacing you particularly, and in fact, he is not here to replace anybody else. I was in the position that I had no one else available who could be used

3/18/06.

J. R. Schermerhorn.

for the purpose. Of course I realize your personal feelings, and no doubt you are entirely just in the position you have taken so far as he is concerned. I must say, however, that I do not agree with you that he should be entirely eliminated and I do not feel that I want to discharge him at once, or until you have had an opportunity to think it over further. He is doing good work, but the evidence that you have produced is so staggering that I am really thunder-struck; I do not want to get rid of him, however, until I can at least get someone to take his place.

It would seem as though your letter was written whilst you were either in a "blue" spirit or very hot-headed, but if, on the contrary you have written your letter after full and due consideration and you are still of the opinion that he should be entirely eliminated from our business, I am willing to abide by your judgment. I feel there is a great deal more that you could better tell me than you could write it, but before taking an absolute stand I prefer to hear from you again. In the meantime I shall watch him even more closely, and rest assured that if he does anything inimical to our interests I will be the first to cut him out entirely from our business.

I can only add in conclusion that of course you have found out a great deal that nobody else ever knew, and it would seem to me that if Squire has been carrying on in this way I cannot see why White should have permitted any such thing; he was the man in charge and necessarily must have known what he was doing. You will remember that a year ago last Christmas, when White came over here, he told me a great deal about Squire, and when he went back it was with the distinct understanding that he would be let go; but it never happened and therefore I could only assume that some truce had been fixed up and he was continued in our employ. Of course I realize that gross carelessness is the reason for the heavy losses made in London during the past year, but nevertheless, the blame must attach to the head of the business, and not altogether to subordinates. Had White given due consideration to these matters there would not have been any such losses. You know perfectly well that any mistakes that occur in this business are chargeable to me, and Mr. Wilson looks to me for results. There is no use of my making excuses or endeavoring to put the blame upon any of my subordinates, as I am here for the purpose of producing results, and if I do not produce the results somebody else will.

Generally speaking, your letter has had a most debilitating effect upon me, as with all the troubles I have here it seems as though everything is coming all together; but I can only add that I fully realize that you have written this communication with the best intention, and rest assured it is so received by me. Before doing anything drastic, however, I should like to have your further views at your convenience. In the meantime, as I have already stated, I shall keep both eyes wide open, and the first move detrimental will bode him no good. You will remember that I started to have him take up the primary battery under Logue, but he could do nothing there whatever, as Logue was absolutely negative, and his jealousy cropped out so strongly that I was compelled to transfer him, and thought that in having him look after the details as to shipments and all matters having to do with production he would materially assist me, and this is what he is doing.

SHEET No.

DATE

EDISON PHONOGRAPH WORKS

4.

3/18/08.

J. R. Schermerhorn.

I do not know that I can add any more to this, but I have given you frankly what my intention was in utilizing his services here, and I did so in all good faith, not knowing all that you have written me in this communication. Had I known of this, rest assured my confidence would have been so shaken that I would not have placed him at anything.

Yours very truly,

NATIONAL PHONOGRAPH CO.

Tel. 444-1111

Phon. - Mass.

25 GLENHURST ROAD.

PERSONAL.



C. E. March 27th, 1906.

W. E. Gilmore, Esq.,
Orange, New Jersey

My dear Ed:

I enclose you herewith expense slip for \$61.60 and likewise an R.M. bill from the National Phonograph Company Limited for a like amount covering expenses of my trip to Paris last week.

The Kaltenecker situation is somewhat confused and also in view of the fact that Galloway was just taking hold I considered it necessary that I go on there.

The Kaltenecker situation is very much muddled up. After he had the contract signed by Mr. Marks and Mr. White there was called a special meeting of the shareholders. For some reason or other neither Mr. Marks nor Mr. White were present at this meeting but sent on Proxies to Brandons. At this meeting Mr. Kaltenecker had the contract ratified by the shareholders and it appears in the Minutes of the Shareholders' Minute book. I never had occasion to look over this book, my previous investigations only going into the Minutes of the Directors' meetings (A separate book is run for the Shareholders and Directors).

This ratification of the Shareholders rather complicates the situation, and I was not aware that such a Resolution had been put through until my visit to Paris at the time Kaltenecker was relieved.

At this same meeting there was also put through a Resolution by the Shareholders that the Directors should receive fees to the extent of Frs. 9000, and the Auditor fees to the extent of Frs. 2500 per annum.

With respect to these latter fees the trouble does not rest with Mr. Kaltenecker but rather with Brandons and Mr. White, that is, it seems it is customary, and I believe more or less obligatory, for French Corporations to pay their Directors fees. Brandons pointed this out to Mr. White and asked him what figure should be put in and evidently suggested Frs. 3000 for each Director. Mr. White wrote back and stated that it was not the purpose of the Company to pay their Directors fees, and that a Resolution to that effect would be more or less perfunctory, and therefore the figure set down was not of very serious moment. Unfortunately, however,

NATIONAL PHONOGRAPH CO.

TELEPHONE "BRANDONS"

25 CLENHILL ROAD,

London, E. C.

Mr. Kaltenecker is now looking for his share of the Directors' fees, and as a matter of fact when the books were closed he set aside Frs. 11500 to take care of the fees. This was the first intimation I had of any such Resolution.

Kaltenecker has stated that he expects to be paid in full up to the end of next November, and he expects his share of the Directors' fees, and at first stated that he was going to sue us for Frs. 50,000 damages for abrupt dismissal. Upon receipt of this advice I had Mr. Marks write to a firm of lawyers in Paris, and upon my last visit I called upon them. They are of the opinion that Kaltenecker could not, under any circumstances, collect more than his salary up to the end of May. The damages are out of the question; that he might collect a portion of the Directors' fees, but the amount that he would get would be very problematical inasmuch as the Resolution provides that the Directors may divide these fees as a body may direct. Assuming the worst phase of the situation he could get but Frs. 3000. As against this there is a shortage of stock of something like Frs. 36,000 or Frs. 37,000, which this firm of lawyers advise me we could hold him personally responsible for. I then went back and consulted further with Mr. Morin (a lawyer in Brandons' office) and he confirmed his original opinion, which was to the effect that Kaltenecker could not collect anything after the date of his dismissal. I, however, consider that the Company is really morally obligated to pay him up to the end of May. The Directors renewed the contract, and therefore it is a moral obligation.

I stated to Brandons that I was perfectly willing to give him Frs. 3000, but if he wanted more we would fight, and I instructed them to proceed on these lines.

Kaltenecker had the stock-book in his personal possession and did not hand it over to Mr. Galloway until several days after his dismissal. When he did turn it over he had taken therefrom six shares of stock which are in his name, and served a written notice upon Mr. Galloway that the stock had not been transferred, and a transfer would not be recognised unless it was dated after the issuance of the notice. Upon our receiving this information I instructed Mr. Marks to cable you for his blank transfer, and this transfer was received by Mr. Marks this morning. I don't know whether it will hold good or not, but I believe it will. At any rate his stock is of no use to him, and of course no settlement will be made except it carries with it the transferring of the stock to me.

The above will give you some intimation as to the many

NATIONAL PHONOGRAPH CO.

TELEPHONE 2444, 2445

25 OLIVARIANWELL ROAD.

London, E. C.

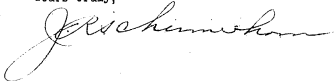
pleasant things that are confronting me all along the line. It will give you a very good insight into the prudence which has been exercised by the Directors of the various European Companies to best protect the interests of Mr. Edison. The situation is rotten from top to bottom, and I am free to admit that I don't know where it is going to end. Every time anything comes up I find that it is a case of omission all round, and I am reaching the point where I am not sure of anything unless I do it myself.

The idea that Proxies would be sent on for a Shareholders' meeting to absolute strangers is something that is entirely beyond my comprehension, and the further fact that the Minutes have been signed right along without knowing what is in them is equally incomprehensible.

Galloway seems to be taking hold, however, and I am hoping things will go more smoothly in the future. I have practically determined to give up the Paris store-rooms and move the stock out to Levallois, but instructed Galloway to carefully consider the entire situation before proceeding, that is, for him to ascertain as to whether or not he could take care of the Paris trade as well from Levallois as from Paris.

There is the matter of taking care of the "octroi" on all stuff that comes into the city, and that is something that will have to be provided for by our people, inasmuch as the purchasers would not, of course, stand this charge,

Yours truly,



NATIONAL PHONOGRAPH CO.

25 CLARENWELL ROAD.

Record - Many
Transfers - Multiple



March 27th, 1935.

W. E. Gilmore, Esq.,
Orange, New York

My dear Ed:

I have your letter of March 16th in reply to mine of February 13th on the subject matter of the exchange proposition.

The exchange proposition was put into effect as outlined in my letters. Dealers were not permitted to return broken records, but we find that a few were returned. Factors were permitted to return broken records, but were compelled to return all their broken records within a very short period. We received comparatively few broken records, and inasmuch as the practice, as a precedent, was established last year I believe it was a good plan to continue it this year, especially in view of the fact that our competitors are taking back any and everything.

The returns this year will be comparatively small, much smaller than last year, and the arrangement as put into effect by us seems to be working very satisfactorily.

We are now getting the orders when the returns are made and we are executing the orders thereby being ensured that this return arrangement will not drag along indefinitely. There will, of course, be two or three exceptions to the general rule; in fact I have already made one exception giving a customer who has a very large stock until the 1st of August to clean up his unsaleable stock. Hereafter, however, he cannot return broken records, and as above stated there doubtless will be one or two other exceptions to be made. I am very pleased with the way it is working.

It is a great surprise to me to learn that you are not coming abroad this summer. I was led to believe from what Mr. Farhall told me that you would be here very early in the Spring, probably early in April, and there are many things which I should like to take up with you.

I am inclined to the opinion that if we are to hold our own here and increase our business so as to get it on a satisfactory paying basis changes will have to be made.

In the first place we have not sufficient manufacturing capacity to take care of the demand when the big demand is on. Again, we are so far away from the factory that it is difficult to get new stuff on the market promptly. I very much fear the practice that

NATIONAL PHONOGRAPH CO.

25 CLEARENWELL ROAD.

London, E. C.

that is now followed, which is the same as the American practice, namely: of sending new lists out a month before shipment is not a good plan for this country. The minute we send out a list of this nature our competitors select the most popular titles, hasten the manufacture of moulds, and get the records on the market away in advance of us, and in addition to this they doubtless learn from the Talent the titles of the selections that are made for us, and if any of them seem to be "hits" they make them and get them on the market in advance of our product. You will doubtless say that the same thing is true in America, and while I agree with you in the main you must not overlook the fact that here we have seven competitors whereas you have but one, and all of those competitors are selling their records at a list price of 1/- each and selling them to factors from sixpence down to a trifle over fourpence.

It is impossible to increase the output at the Brussels factory, at least to any appreciable extent, that is, while the output may be gotten up a few thousands per week they have no more room for further kettles. Three kettles are erected and they take up all the available space, and in fact when working full force they are quite congested. I have been utilizing Berlin for the last three months with more or less satisfactory results. America is entirely out of the question except possibly for the advance American selections. It is difficult to handle this from America in view of the fact that the demand is so unequal and so unstable.

Again, the properties which we are occupying in London are very badly adapted for our business. It is costing us at least 50 per cent more than it should to handle shipments. Our record stock is stored on three floors of the building, and you can well appreciate what it means to unpack 60 or 70,000 records per week, rack them, get them out on orders, pack and ship, and especially when you consider that our elevator is about 3 x 3.

the Unfortunately when the new property was taken on last year a stock was not transferred to that building which is much better adapted for a shipping place. Of course the transfer could be made during the coming summer but that would be expensive.

I also think that we should pay freight to factors. I wrote you on this subject under date of February 28th last, but as I outlined in that letter it would impose a considerable additional expense on the National Phonograph Company Limited, and while it is possible it would tend to materially increase our business it is a problem as to whether or not it would increase to a sufficient amount to absorb the additional expense.

NATIONAL PHONOGRAPH CO.

25 CLERKENWELL ROAD,

London, E. C.

Brussels You now have before you figures showing the business of the present factory and likewise the London office and know what to expect. You know how much profit the National Phonograph Co. Ltd. are getting on each record and how much they are getting on machines. While the general expense of last year was quite high I do not believe it could be appreciably decreased without cutting out advertising, which is without a doubt a very necessary factor in business prosperity.

You must stop to consider the output of the Brussels factory. It would be impossible for them to supply us with more than about two million records at the most, that is, we can figure on but about a six months' business, the other six months the business is more or less limited, and while I hope it will be greater than it was last year that feature is, of course, a problem.

The situation is such that it requires a great deal of thought and it is one that is difficult for an individual to satisfactorily decide as to what is best to be done.

I well appreciate that the changes which I think should be effected would mean an expenditure of a considerable amount of money, and that such changes would carry with it the possibility of not further increasing the business. I only wish to bring out, however, that with present facilities only a certain amount of business can be done, and that being the case the profits are limited.

I do not see that it would be any use my coming to America in July. It would then be too late to effect changes inasmuch as it would be impossible to get a new plant started in time for the Fall business, unless steps were taken to immediately get it in operation.

In conclusion I only wish to say that while I believe the above would be to our interests I am not prepared to take the responsibility of going ahead on that basis. Conditions are such here that I am not sure in my own mind as to just exactly what can be expected.

Yours truly,

J. R. S. / L. D.
Assistant General Manager.

J. R. S. / L. D.

SHEET NO.

DATE,

EDISON PHONOGRAPH WORKS

PRIVATE

April 16, 1906.

J. R. Schermerhorn, Esq., Chairman of Directors,

National Phonograph Co., Ltd.,

London, England.

My dear John:

I duly received your letter of March 27th, and am very glad to learn that the exchange proposition is working most satisfactorily.

I told Marshall that I thought I would get over, but matters have so changed here and we are so extremely busy that I have had all I could do to keep things going here, and what I have already written you about the condition of business should impress upon you the fact that I could not very well run away and leave matters to operate themselves. If you will consider this for a moment you will see why I cannot get away now.

I purposely held up your letter, as I wanted to talk the whole situation over with Mr. Edison, but did not get at him until yesterday (Saturday). I am writing this letter on Sunday and leave for Hot Springs tomorrow.

I have already written you as to concentrating the manufacturing plants at one point and I have asked you to look into the situation to see if this could not be done to better advantage than to try to operate three or four different plants at different places on the Continent and in England. The Gramophone people do it and it seems to work satisfactorily. Mr. Edison agrees with me that after all this is the best thing to be done, and when Bergmann was here he impressed upon me forcibly that we should go into Germany, as there is plenty of help to be obtained at the cheapest possible prices. Of course I give you this for what it is worth, and I presume that my letters will have been received by you and that you are giving the matter further consideration.

Now in regard to the sending out of new lists, I do not see how this can be avoided, and as you say, your competitors are bound to learn the most popular pieces that are taken directly from the talent themselves, so that you would always be handicapped in this respect; but the only thing to do is to stand on our own feet and do the best you can. You say that we only have one competitor here. I do not see where this comes in. I figure that we have three strong competitors--the Victor people, the Columbia people and the American Record Co., besides sundry smaller concerns to whom we give no thought whatever. Of course I realize that

SHEET No.

DATE,

EDISON PHONOGRAPH WORKS

2.

4/16/06.

J. R. Schermerhorn.

the conditions there are different than they are here, but nevertheless, the only thing to do is to "keep a stiff upper lip" and follow out the lines already laid down, and I am sure that in the long run we will secure the results that we are after. This has been our experience here and I feel certain that eventually it will prevail with you as well.

As to increasing the output at the Brussels factory, of course if the plant is not large enough we have got to make other arrangements, and as you say, Berlin has been able to help you out considerably, and the question now is whether it would not be better to consolidated the manufacturing plants at one point, as heretofore outlined.

Regarding the London proposition, I realize, of course, that it is is very bad and that you are working under the most adverse conditions. If the John St. building can be utilized to better advantage for your record stock I would not hesitate a minute to have the transfer made during the Summer months, as of course this will materially assist you when the busy season sets in. Cost what it may, it is the best thing to do under the circumstances.

Now so far as paying freight to factors is concerned, I realize that this would be a considerable expense on the National Phonograph Co., Ltd., but nevertheless, I do not see how you are going to avoid it. I am satisfied that it will increase your business, and in order to meet this condition I am perfectly willing to make you some sort of a rebate so as to cover this. Think over what you consider it would amount to and I will be very glad to meet whatever you have to suggest. You have been there a sufficient length of time to know what should be done to meet the conditions over there, and naturally you have got to take the responsibility of making the change. Do not think that we are going to criticize you if you do err; surely you will not err in every case. Take heart and go ahead just the same as if I were there to confer with you. If I were there I would not hesitate in saying move the entire stock at once into the John St. building if it can be utilized to better advantage.

Look over the manufacturing situation most carefully and see if something cannot be done to bring the combined plants together. Do not get disheartened; that will never do any good to anybody.

Yours very truly,

WBG/IWW

President.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER,
J. R. SCHERERHORN,
ASSISTANT GENERAL MANAGER.

Phon. - Sales
J. F. RANDOLPH,
TREASURER,
A. WESTEE,
SECRETARY

TRADE
MARK
Thomas A. Edison

NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND INVERTION THEREOF.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

Orange, N. J. April 25, 1906.

W. E. Gilmore, Esq.,
c/o The Homestead,
Hot Springs, Va.

My dear Mr. Gilmore:

Last week I took the foreign Profit and Loss sheets up to Mr. Edison, and he certainly acted and spoke as though he was thoroughly disgusted with the foreign situation; said he could not understand why you hung on to Jim White so long, and if we did the right thing we should get down to absolute figures so far as machines are concerned and put it up to Jim White to explain the shortages or put someone in jail. He said the situation was too serious to be passed over lightly and that the shortage of records would indicate a systematic method of robbery. You know we said the same thing, as the shortage figured just about two cases of records per day. He said it would be much better to go back to the old method of handling the foreign business entirely through the Foreign Department, New York, than to continue as at present. He spoke very strongly about holding White liable for the machine shortages.

I am enclosing statements for weeks ending April 13th and 20th, which kindly return to me when you are through.

| | |
|---------------------------------------|------------|
| Number of machines shipped last week- | 5,426 |
| " records " | 360,880 |
| Bank balance April 25, 1906, Orange, | 237,765.54 |
| " " " New York, | 10,512.10. |

All accounts are paid with the exception of a few National accounts.

Have also paid the General Electric Company's account for the new

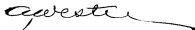
SHEET No. 2. DATE, 4/25/06. NATIONAL PHONOGRAPH CO. to W. E. Gilmore.
generator, etc., amounting to \$9,000.00, and \$7,500.00 to the N. J.
Patent Co. This is additional to the regular requirements as shown on
the monthly sheet.

I believe Randolph wrote you about Henry Dowd's death; he will be
buried to-day. I also understand that Logue is seriously ill in Chicago;
have not as yet heard full particulars. Carl and his wife sailed last
Saturday.

I believe that is about all the news at present. Take a good rest
and don't worry, as everything is going along smoothly.

With kindest regards to yourself and family, believe me to be,

Yours very truly,



Telegrams & Cables, "RANDOMLY, LONDON"
Codes used, A.I. A.B.C. COMMERCIAL
LIEBER'S AND HORTING'S

TRADE
Thomas A. Edison
MARK

TAE, Inc. - Orig.
Telephone
NO 5050 HOLBORN.

FACTORIES:
ORANGE, N.J. USA.
BERLIN.
PARIS.
BRUSSELS.

SOLE GENERAL MANAGERS FOR THE UNITED STATES
AND POSSESSIONS

NATIONAL PHONOGRAPH CO. LTD.

EDISON PHONOGRAPHS & RECORDS.

RECEIVED
25. CLERKENWELL ROAD.



London, C.C.

May 16th, 1906.

THOMAS A.
EDISON'S
PHONOGRAPHS,
GOLD MOUNTED
RECORDS,
PROJECTING
KINOSCOPES,
ORIGINAL FILMS,
BATTERY PAN,
MOTORS,
PRIMARY BATTERIES.

W. H. Gilmore, Esq.,
Orange, New Jersey, U.S.A.

Dear Sir,

Your letter of January 4th on the subject matter of banking through Morgan & Co. likewise your subsequent letter of April 2nd on the same subject are both duly received.

I did not answer the first letter although I have given careful thought to the suggestion likewise consulted some business people here on the same subject, of course touching it indirectly.

Now Morgan & Co. are simply private bankers and while without a doubt they do a considerable business they are not recognized in this country as a general banking firm.

Again, as a rule their rates of discount are higher than we can get elsewhere. On the other hand the Credit Lyonnais, through whom most of our business is done, is a very strong banking corporation with branches in all the Continental countries with the exception of Germany. Our arrangements with them are such that we can draw a cheque here that will be honoured in any of their branches as is the case with their American representative. Under the circumstances, therefore, unless there is a very strong reason for doing our business through Morgan & Co. I consider it wise not to make a change.

N. P. Co., Ltd.

On the other hand conditions are somewhat changed, that is, we hope we will not be under the necessity of advancing money to Berlin or Paris in the future, and it is quite possible that we could make arrangements with J. S. Morgan & Co. whereby cheques on them would be honoured in New York and possibly in Brussels, and also Paris and Berlin if the occasion should arise.

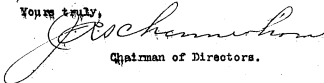
This is a question which you and I discussed before I made my first trip abroad and subsequent thereto, and the only point is as to whether or not the fact that we are doing a certain amount of business here and carrying a considerable bank balance would have any weight in advancing the other interests.

You will understand, of course, that they have no branches in which Morgan is actually interested other than Paris and London. They simply have correspondents in the other places. I will, therefore, make no changes unless your further consideration deems it advisable. In that event write me your wishes and I will immediately make the necessary arrangements.

While on this subject it occurs to me to say that we are carrying two bank accounts, one of which is for small amounts. It might be that we could arrange to cut out this bank and use Morgan & Company for the larger deposits and take care of the American remittances through them.

Likewise the French company could, without doubt, utilize Morgan Hargis & Co. just as well as the Credit Lyonnais.

Yours truly,



Chairman of Directors.

J.R.S./L.D.

PERSONAL AND PRIVATE

May 11, 1906.

J. R. Schermerhorn, Esq.,

C/o National Phonograph Co., Ltd.,

London, England.

My dear John:

I am this morning in receipt of your personal letter of May 1st, regarding the resignation of White. By the same mail I received a letter written by himself, which original letter I have by this same mail sent to Mr. Marks, together with my wishes in the matter. I have also cabled you this morning as follows:

"White's resignation dated Sunday, April 30th, received to-day, effective July 1st or two weeks earlier. Decision as to acceptance left entirely to Marks and yourself. See Marks."

To say that Mr. Edison and myself were agreeably surprised at the receipt of his resignation does not express it, as we have been most anxious to know when this would become effective and naturally were anxious to get him eliminated entirely from our business.

I have refrained from cabling you fully, as I am a little afraid that the cables and letters might get in other hands, and I have therefore expressed myself most fully in a letter to Mr. Marks, which he will show you. There is no doubt in my mind that White has taken advantage of his long stay with us to get all the data that might be of use to him in any new business that he might take up. I do not think he is going in the Slot business; he gave this up many many years ago. However, I wish him well in anything that he undertakes. If all the information that I have received from time to time is anywhere the truth, I think you will find him connected directly or indirectly with some of our competitors. It is natural to expect it and I have no desire to thwart him in any new movement that he may make for his own benefit. This is a large world and everybody is entitled to make a living, and where a man has spent so many years in the interests that he has represented for Mr. Edison and ourselves naturally his inclination is to go into a similar business, so that we could hardly expect it to be otherwise.

I wrote you yesterday that I expect to write you fully in answer to your personal letter from Paris, but now that this thing has been consummated I do not suppose it will be absolutely necessary, although I think that I should give you my opinion, nevertheless. However, this I will consider further, and I may defer the entire matter until we meet.

In a short note that Westee received from Buehler the latter states that he is expecting to sail back the middle of next month. It is just possible that you may want him to remain with you, now that White is entirely eliminated, but of course this is a matter that I shall leave to your own judgment to decide.

I can only add in conclusion that you do not know the relief it has afforded Mr. Edison and myself to get this resignation. I feel that

J. R. Schermerhorn.

(2)

5/11/06.

White has not been giving us satisfactory service for the past two years. The reasons for this are obvious; in fact, I have written you so often about it and we have talked it over so often that it is not necessary to rehearse it again.

I am glad to learn that you have at last secured temporary quarters for six months. I have noted the new address and of course will give it to Lena so that she can write to Agnes whenever she wants to.

And so you met the McClellands; well I am glad to hear it. They are evidently enjoying life, which is more than they did before their marriage, although I have thought that McClelland himself did more or less going around, but I do not think that his wife had very much enjoyment out of life whilst her first husband was alive. You speak of the Great Central Hotel; what sort of an institution is it? Is that the one at which Johnson is staying?

I am glad to note what you tell me about the April business, which is most gratifying. We must anticipate a slow business during the Summer months. Matters have not let up a bit with us yet here; we are over two million records behind our orders and about forty thousand phonographs.

I am writing this letter under pressure, as I want it to get out on tomorrow's (Saturday) steamer, as well as the letter to Marks.

Yours very truly,

P. S.

I just want to say to you now that I am considering a proposition as to the management of the foreign selling business. I am not prepared to say anything to you about it as yet; I hope to do so, however, within the next two weeks. Do nothing about getting anybody as Managing Director until you first confer with me by cable or other means. Have you got anybody in mind suitable for the position?

May 11, 1906.

G. Croydon Marks, Esq.,
Director, National Phonograph Co., Ltd.,
London, England.

Dear Mr. Marks:

I am this morning in receipt of your private letter of May 1st, advising me as to your interviews with Mr. White as to his resigning as Managing Director as well as Director of the National Phonograph Co., Ltd. By same mail I received the attached communication from Mr. White, dated Sunday, April 30th, 1906, written from No. 23 Great Russell Mansions, London, W. C., addressed to myself as President of the National Phonograph Co., Orange, N. J. I do not see what the National Phonograph Co. of Orange has to do with his resignation, but as he indicates that he resigns as Managing Director of the National Phonograph Co., Ltd., such resignation to take effect July 1st, 1906, or earlier if possible, I presume that this will be all that you require.

I have just cabled you as follows:

"White's resignation received to-day, effective July first or two weeks earlier. Leave this for Schermerhorn and yourself decide; sooner the better. Board should accept resignation and then obtain full release from White without any payment other than salary to July 1st, less his indebtedness to National Limited. He has no claim whatever against National Limited or us; as losses due to shortages and bad accounts offset any possible claims he may demand. Responsibility entirely his. Consider we have cause for action damages. If full release not given, accept resignation without reservation. Act promptly. Cable fully. Writing."

Of course, the question of relieving him is one that must be settled by Mr. Schermerhorn and yourself, and I am writing you thus fully, rather than Schermerhorn, inasmuch as I am certain that my letter to you will not be tampered with in any way, whereas I am doubtful about letters going to No. 25 Clerkenwell Road.

As indicated in my cable, we should get a full release from White for all claims of any kind or nature, so far as the National Phonograph Co., Ltd., or the Edison Manufacturing Co., Ltd., are concerned, paying him whatever is due him, less any indebtedness that he may owe either of these companies. He is not indebted to us in any way here.

The Accounts Receivable trial balance as of February 28, 1906, (the last one received by us here) shows that he is indebted to the National Phonograph Co., Ltd., in the sum of £543/15/9, and also an additional amount of £21/4/6. Possibly there may be an offset to part of this account in the way of expenses, but this is a matter that I must of course leave to White and yourself to settle, and thus eliminate him entirely from our business.

The Profit and Loss sheet for the ten months ending December 31, 1905

G. Croydon Marks.

(2)

5/11/06.

made up by Mr. Buehler, and a copy of which Mr. Schermerhorn no doubt has in his possession, you will find shows that there were numerous shortages which have never yet been explained, nor can they be explained by anybody over there. This is particularly so in the case of the Record account. The other items, no doubt, you are thoroughly familiar with and it will not be necessary for me to go into details here. Suffice it to say, the figures indicate that there was the poorest kind of management, and naturally these losses were most serious so far as profits were concerned. The bad account situation you are more or less familiar with, and of course it is not necessary for me to go into details as to this.

Now, notwithstanding any statements Mr. White might have made to you or myself as to these shortages, the fact remains that he was the responsible head of the concern and is therefore responsible to the directors and the stockholders, and I do not see how any excuse can be considered. We are so positive about this that in case of any claim by Mr. White we think we have good cause for damages against him and feel certain that should he attempt to collect any monies of any kind or nature for additional services, we have an offset which would make him liable to us and under which we would recover damages. As I have stated in my cable, however, if he refuses to give a full release, then accept his resignation without reservation, and we will take whatever means are necessary towards collecting from him any indebtedness that may be due us.

That part of his letter having reference to aiding us, etc., should, in my opinion, be ignored. His services have not been at all satisfactory, and I feel certain that the business can be handled satisfactorily by Mr. Schermerhorn, with such assistants as he may have at hand.

I can only add in conclusion that his resignation relieves us of a great deal of anxiety, inasmuch as we have been waiting and waiting a long time past to receive this and fully expected that it would have become effective long ago. However, I am not going to say anything further, but trust that the acceptance of the resignation will have taken place ere the receipt of this letter.

Yours very truly,

Director.

National Phonograph Co. Inc.

CABLE ADDRESS: "ZYMOTIC, NEW YORK."
ALL A.S.C. COMMERCIAL LETTERS PRINTINGS AND PRIVATE CODES USED.

TELEPHONE,
1322 GRAMERCY.

TRADE
Thomas A. Edison.
A MARK.

FOREIGN DEPARTMENT
OF THE
**NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.**

FACTORIES:
ORANGE, N. J., U.S.A.

31 UNION SQUARE, COR. BROADWAY & 16TH STREET.

EDISON PHONOGRAPHS
AND RECORDS.
EDISON PROJECTING KINETOSCOPES
AND ORIGINAL FILMS.
EDISON PRIMARY BATTERIES
AND PAN HOUR CUTTERS.
BATES AND EDISON NUMBERING MACHINES.

NEW YORK, N. Y.

LONDON, PARIS, BERLIN,
BRUSSELS, SYDNEY,
MEXICO CITY.

New York, U.S.A. May 11th, 1906.

Mr. W. E. Gilmore, President,
National Phonograph Co.,
Orange, N. J.

Dear Sir:-

I beg to report as follows, with referencé to our Aus-
tralian and Mexican Companies:-

NATIONAL PHONOGRAPH CO. OF AUSTRALIA, LTD.

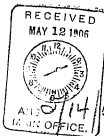
Mr. William W. Wyper, Managing Director, left New York the
early part of October, 1905, sailing from San Francisco October 10th,
and reached Sydney via Wellington November 16th, 1905.

His first invoice covering sales was dated December 21st,
1905, and from that date until April 4th, 1906 (the last mail re-
ceived), his sales amount to.....\$36,442.93.

He has forwarded remittances to us against
these sales, in amount.....\$26,948.35,

and has collected for our account, against
shipments we made direct,12,575.58,

Making a total of.....\$39,621.93.



NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT.

W.E.Gilmore,

-2-

MEXICAN NATIONAL PHONOGRAPH COMPANY.

Mr. Rafael Cabañas, Resident Manager, left New York for Mexico City October 10th, 1905, and reached Mexico City November 6th. After securing the necessary quarters, and remaining six weeks in Mexico City, he left for Cuba to join Messrs. Werner and Burt for the purpose of taking a number of special Cuban Records.

He reached Cuba about December 22nd, 1905, and returned to Mexico after completing his work in Cuba, reaching there March 5th, 1906.

His first sales were forwarded March 13th, 1906, and from that time to April 25th (last mail), he reports sales, amounting to \$3,463.78. At this writing we have received no remittance from him, although in a recent communication, he advises us that he would soon forward same.

Yours very truly,

Walter Johnson
Manager Foreign Department.

W. S.

C.

May 14, 1906.

Walter Stevens, Esq.,
Manager Foreign Department,
New York.

Dear Sir:

I am in receipt of your favor of the 11th, which I took up with Mr. Edison this morning. He is quite pleased at the results shown in Australia, but he is not pleased at the results accomplished by Cabanas in Mexico. I told him that you were stirring up Cabanas and I hoped for better results in the near future.

I would suggest that you make it a point to write me a similar letter as to this monthly, so that you want to send me another communication on this subject, say about June 15th.

Yours very truly,

WEG/IWW

President.

May 14, 1906.

G. Croydon Marks, Esq.,
18 Southampton Buildings, Chancery Lane,
London, W. C., England.

Dear Sir:

I learn from Mr. Frank L. Dyer that your firm, Messrs. Marks & Clerk, have been sending him weekly copies of all the British patents issued, covering the manufacture of phonographs, records, blanks, and in fact anything else connected with the art, and in this connection Mr. Edison and ourselves have been having quite a discussion as to whether it would not be good policy to look into the merits of all of these patents with the view to purchase same for this country, particularly where the patents have been applied for or issued, and such other countries as may be decided upon from time to time. We have been looking at this in a general way, and the idea is to buy up such of the patents as we think might be of advantage to us or that might prove detrimental to our interests should we not control them, either by an exclusive license or an absolute purchase.

In this connection our attention has just been drawn to British Patent No. 15674, of 1905, the date of the application being July 31, 1905, issued to Messrs. James Edward Hough, Manager of the Edison-Bell Consolidated Phonograph Co., Ltd., London, and William Forse, 74 Great Chart St., Hoxton, London, Engineer. If Mr. Hough assures you that the invention is all right and has technical advantages, then you

2.

5/14/06.

G. Croydon Marks.

could get their price for the Patent in the United States, giving us an option for sufficient time to make a trial.

You, of course, understand that in making inquiries as to any particular patents, it is not our desire that you effect any arrangement whatsoever until you have first conferred with us, as in a great many cases we may find it proper and expedient to decline to purchase or license under this or any other patent that may be offered, so that you should not commit yourself in any way whatsoever without getting our absolute sanction so to do.

Yours very truly,

WEG/IWW

President.

NATIONAL PHONOGRAPH CO.

TELEGRAMS - "RANSONET"

22 CLERKENWELL ROAD.

PERSONAL AND PRIVATE.

London



May 15th, 1906.

W. E. Gilmore, Esq.,
Orange, New Jersey, U.S.A.

My dear Ed:

On Saturday last Mr. White gave me a copy of his letter to you of April 30th in which he tenders his resignation as Managing Director and Director of the National Phonograph Company Limited. I likewise received your cablegram bearing on this subject and I immediately communicated with Mr. Marks to whom Mr. White has also sent a copy of his letter. We this morning had a Directors' meeting and a general conference on the subject.

Mr. White then indicated that he would like to get away as of June 15th, and we told him that unforeseen circumstances not arising we would be pleased to meet his wishes.

Mr. White and Mr. Marks had a conference regarding the special emolument which Mr. White received on the business for the fiscal year ending February 28th, 1904, and Mr. White then stated that he was entitled to an emolument on the business of the fiscal year ending February 28th, 1905.

Mr. White further advised that he was sending you copies of the Profit and Loss sheets of the two years. Of course Mr. Edison and yourself are entirely familiar with what was done regarding the fiscal year ending February 28th, 1904.

The Balance sheet which Mr. White has made out covering the

NATIONAL PHONOGRAPH CO.

25 CLERKENWELL ROAD.

London, E. C.

fiscal year ending February 28th, 1905, shows a profit to the National Phonograph Company Limited of £11,248.

I have gone over the figures as made out by Mr. White and so far as I can see they are entirely in accordance with the statement *from* the books as of that date, and so far as I can determine his figures are made out on the same lines, and the same special expenditures show, as on the previous list.

Mr. White stated to Mr. Marks in my presence that he felt he was entitled to at least £1000 on the showing of the fiscal year ending February 28th, 1905. The books indicate that he is indebted to the National Phonograph Company Limited for cash advanced to the amount of £544.9.9. which would leave due him on his figures £455.10.3.

Mr. Marks brought up the fact that the fiscal year ending December 31st, 1905, showed a very decided loss, and Mr. Marks has written you on the subject bringing out some figures which he deduced, his figures indicating that by splitting the difference Mr. White would be entitled to £383 plus. Mr. White then made the offer to accept £400 in addition to the amount owing the National Phonograph Company Limited, or, in other words, he would reduce his figures by £55.10.3.

I have gone over the Profit and Loss sheet for 1905, and of course it should be reduced by the amount for trade mark and moulds which amount to £4538.6.6. and also it occurs to me that

NATIONAL PHONOGRAPH CO.

TELEPHONE "RANDOLPH"

25 CLERKENWELL ROAD.

London, E. C. _____

among the items of Bad Debts the one incurred by the Phonograph Supply Company might with fairness be deducted because of the fact that I understand the venture was really backed by the Company and was more or less of an advertising experiment. The loss sustained through the National Phonograph Company Limited amounted to £2424.0.8. Adding this to the trade mark bill makes an aggregate of £6757.6.8. which deducted from the book loss - £9389. 6. 1. - would make the trading and shrinking and other bad debt losses amount to £2631.19.5. Deducting this from the profits of 1905. would leave a nett profit of £816.1.0. on the two years' business, and figuring this on the same basis as the 1904 transaction it would indicate that Mr. White was entitled to about £948. Deducting the amount due to the National Phonograph Company Limited from this would leave £404. 0. 0.

After due consideration I believe that a settlement on the basis of £400 over and above the amount owing the National Phonograph Company Limited would not be at all out of the way, and I would strongly recommend that this be done.

I am saying this without prejudice either to Mr. White or to our own Company inasmuch as I am not entirely familiar with the arrangements that were made by Mr. White with Mr. Edison and yourself. I am only basing my conclusions on precedent. If Mr. Edison and yourself agree with me in this I would suggest that you cable.

I will be glad to take the matter up with Mr. Marks and I am

NATIONAL PHONOGRAPH CO.

25 CLERKENWELL ROAD.

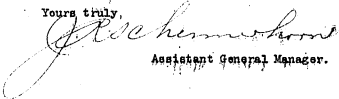
London, E. C. _____

very sure that Mr. White will meet us more than half way in order to have things pass off in the most pleasant and easy way for all of us.

Ordinarily I would not have dictated this letter but I want to make it complete and somewhat long hence my reason for so doing.

With respect to the loss of last year I would further add that I am perfectly satisfied, although I cannot give documentary evidence to that effect, that the figures are reached due to the fact that there was some discrepancy in keeping track of the returned material, and I am more or less satisfied that Orange was not charged with all the records that were broken up and sent to Brussels; in other words, I think that Brussels received more records than were actually charged to Orange, although unfortunately we are unable to prove that.

Yours truly,



Assistant General Manager.

J.R.S./L.D.

May 17, 1906.

Thomas Graf, Esq., Managing Director,
Edison Gesellschaft, m.b.H.,
Berlin, N., Germany.

Dear Sir:

Your letter of the 11th of April, advising that you had sent forward a full report for March, 1906, showing sales amounting to marks 115,063.64, as against marks 55,060.50 for March 1905, came duly to hand, as well as the report itself.

I note your explanation about shipments of records, which is quite understood. We have also received, through Mr. Schermerhorn, the Trial Balances for November and December of last year, as well as the Profit and Loss sheet for the 10 months ending December 31, 1905, and the writer has had the pleasure of going over them most carefully and desires to congratulate you most heartily on the very good showing that you have made, particularly in view of the opposition that you have had to meet and the further fact that a very large outlay was necessary in advertising, cataloguing, etc., to get our goods before the public.

It will not be possible for us to show Mr. Edison these papers for about a month, as he has gone away on a prospecting tour and will not be back until then. I can assure you, however, that he will be most pleased to go over this report, and if he has any comments to make I will write you further.

The decision reached by Mr. Schermerhorn, that the catalogues and other printed matter should not be accounted forward as an asset, is wise.

2. 5/17/06.

Thomas Graf.

it is not a good asset and it should therefore be charged up and wiped out, as naturally it evens itself up at any rate, and if you get the benefit of it during this year it will naturally show after the fiscal year is closed.

I particularly want to congratulate you on the very small amount of bad debts incurred during the time the office has been established in Berlin. This is most gratifying indeed and speaks well for your management.

I note with pleasure that an understanding has been reached between Mr. Schermerhorn and yourself as to working up the business in Austria as well as in Warsaw, and I hope that this will prove beneficial all around and sincerely trust that you will be able to do this increased business without materially increasing your office staff. It goes without saying that naturally we have got to pay out money to make the new selections, but nevertheless, I trust that the business that will inure from same will be satisfactory.

Now as to your visiting us in America, I am going to leave this entirely to yourself to determine when you want to come over. I should like very much if you can arrange to be here about July 15th, as July 17th, 18th, 19th and 20th we are going to entertain the Edison jobbers of the United States. I know that it would be most interesting to you, and I want to extend to you a special invitation to be with us. In order that you may understand about what we are going to do, I am enclosing you herewith the itinerary, and I would suggest that you get into communication with Mr. Schermerhorn at once and arrange to come over so as to be with us at that time. I presume you can leave matters in such a way that the business will go on just the same in your absence and that you have a competent man fully able to handle the business whilst you are away. I, of course, realize that it will not go on exactly in the way you would like, but then when we take these little holidays

3. 5/17/06.

Thomas Graf.

we have to suffer the consequences when we get back.

Yours very truly,

WBG/IWW

President.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHERMERHORN,
ASSISTANT GENERAL MANAGER.

TRADE
Mark
Thomas A. Edison
MARK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND NEITHER THESE INITIALS.

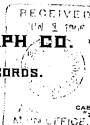
NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

J. F. RANDOLPH,
TREASURER.
A. WESTER,
SECRETARY.



LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

CABLE ADDRESS
"SYNOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

Orange, N. J.

May 26, 1906.

Thomas A. Edison, Esq.,

Lincolnton, N. C.

Dear Mr. Edison:

I received this morning your telegram instructing me to address letters to you at Lincolnton, N. C., and I therefore enclose you herewith letter dated May 15th, from James H. White, London, ^{London} letter dated May 15th from Mr. Schermerhorn and letter dated May 15th from G. Croydon Marks. *if you can get paper from him send that he will keep out of phone big on lamp so much the better - Edison*

The Profit and Loss sheet for the ten months ending February 28, 1905 (a copy of which is also enclosed herewith), shows that the net profits at the London office were £11248/0/5, which, figured at \$4.80 to the pound, equals \$53,990.40 (about), and on this White seems to think he is entitled to some consideration. You will note that in the communications of Messrs. Marks and Schermerhorn they ask that a compromise be effected with White. You have heretofore taken the position that he is entitled to nothing, inasmuch as his method of doing business was not satisfactory to us. You will remember that the loss for the ten months ending December 31, 1905, amounted to £5055/19/5, or about \$24,268.68. He does not seem to consider this, however, but it seems to me that we should give it a great deal of consideration. However, in order that you will have all figures before you, I would say that in the settlement that you made with White for the year 1904 we gave White the benefit of certain losses incurred at the Antwerp end of the line, same being covered

SHEET No. 2. DATE, 5/26/06. NATIONAL PHONOGRAPH CO. vs Thomas A. Edison.

by materials that had been shipped from Antwerp to London, consisting principally of records, which had never been entered up during the year 1904 and were discovered after the P. & L. sheet had been closed. So that you will understand this, I would say that the P. & L. sheet showed actual profits for the year ending February 29, 1904, of about \$27,400.00, but by giving him the benefit of the error of others, the figures that you estimated upon as profits were about \$41,000.00, and against this he was handed your check for \$4400.00, as indicated in his communication, or a little more than 10%. If you will now take the three years business (two years and ten months), it figures out as follows:

| | |
|---|------------------|
| Profits year ending February 29, 1904, | \$27,400.00 |
| " " " 28, 1905, | <u>53,990.00</u> |
| Total, | \$81,390.00 |
| Losses ten months ending December 31, 1905, | <u>24,268.00</u> |
| Net profit for three years, | \$57,125.00. |

Against this he has received a total of \$4400.00, or, approximately, 8%.

You and myself have heretofore taken an absolutely negative stand so far as he is concerned. The reasons are obvious. As you will see by the letters of White and Marks he owes the National Limited the sum of £544/9/9. Now, if you give White what he asks for, that is, this £544 plus £400, it would amount to \$4531.00; add this to the \$4400.00 that he has already received, makes a total of \$8931.00, which he desires you to pay him, on a total profit of \$57,125.00 covering the three years, or 15%. This I could not, and I know you will not, consent to do. It would seem to me, inasmuch as we have taken the firm stand that he is entitled to nothing, that we should continue to take this stand, I do not think that we will ever collect the £544 that is now owing the National Ltd.

SHEET No. 3. DATE. 5/26/06. NATIONAL PHONOGRAPH CO. to Thomas A. Edison.

Now in regard to the statement that he put \$300 of his own money into the Phonograph Supply Co., I do not believe this. I think it is another one of his beautiful dreams. The losses, if any, have been thrown back on us. I did try this as an experiment in the way of a retail store at his solicitation, and great money was to be made out of it. The loss, however, was very considerable, and I doubt very much if Mr. White ever put a cent into it. However, it does not enter into the question.

Now if you will take the net profits of \$57,125.00 for the three years and assume that he has received 10% of the profits, which you stated distinctly was not an arrangement made by you when White was last over, you will figure the total amount to be-- \$5712.00

Less amount paid-- 4400.00
\$1312.00.

Against this we have a charge of \$544, or \$2611.00, and he will therefore be owing us \$1300.00. I do not see but that you must take the stand that you owe him nothing, and if he wants to do any fighting or wants to do any other dirty work by statements or otherwise, let him go ahead and do it.

Now so far as Schermerhorn's statement at the bottom of page 2 and the top of page 3, it would seem to me that if he thinks that we had better give him credit on the losses incurred by the Phonograph Supply Co. he might as well ask us to pay him on the gross profits, as he would have just as much claim to say that all bad debts should not be deducted from any percentage that you might consider was payable to White. This is all "rot". If we want to advertise goods, no matter what method may be adopted, it is, of course, an item of expense and is for the benefit of the business, so I ignore this portion of his letter and ignore entirely his suggestion as to paying about \$400 more; and the same

SHEET No. 4. DATE, 5/26/06. NATIONAL PHONOGRAPH CO. to Thomas A. Edison.

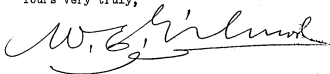
remarks apply equally in the case of Marks. I should like to cable Marks as follows:

"Edison's position unchanged. Consider that wiping out indebtedness White, five hundred and forty-four pounds, all he is entitled to. Will not consider further payment four hundred pounds. Writing."
GILMORE."

On second thought, possibly I had better sign this cable in your name, and that will keep me out of it officially.

Please return all these letters in enclosed stamped envelope promptly so that I can write them at once.

Yours very truly,

A handwritten signature in cursive script, appearing to read "W. G. Gilmore". The signature is written in dark ink and is positioned below the typed name "GILMORE."

Enc-

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHERMERHORN,
VICE-PRESIDENT & GENERAL MANAGER.

TRADE MARK
Thomas A. Edison
MARK

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK
304 WABASH AVENUE, CHICAGO

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND NEVER PIONEER BUILDING

ADDRESS YOUR REPLY TO



G. RANDOLPH
FOURDAYS
A. WESTICE,
SECRETARY

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

MAIN OFFICE: CABLE ADDRESS
"SYNTHOTIC, NEW YORK"

Gilmore *Oranges, N. J.* May 28, 1906.

Thomas A. Edison, Esq.,
Lincolnton, N. C.
Dear Mr. Edison:

I enclose herewith letter I received on my return from Chicago from Blackwell, from which you will see that he is willing to take up our business in Europe. I hardly know what to say to him as yet as I do not know what you are going to think about his having an interest in the business. Of course I know that you want to do the right thing with anybody that handles our business there, and that he will receive a percentage of the profits should they be satisfactory. I do not think we will have any trouble in coming to some suitable arrangement with Blackwell, and the more I think the matter over the more I am convinced that he is going to be a good man for us.

I was about to cable Schermerhorn to give him full authority to look over the books and business at Clerkenwell Road and then write him just exactly what we want him to do. However, before doing so I thought I would send this letter to you for your comments, and wish you would comment on the back of it what you have to say so that I can write him forthwith.

Yours very truly,

W. E. Gilmore

Enc-

Why not say what salary we will pay and percentage to be divided up and 73

John M.

June 12, 1906.

G. Croydon Marks, Esq.,

London, England.

Dear Sir:

Your letter of the 15th came duly to hand, on the subject matter of White's resignation, and I cabled you on the 26th as follows:

"Letter fifteenth. Edison South; now in communication with him. Don't consider White entitled further payment four hundred pounds. Will cable fully next week."

I sent your letter, as well as a communication that I had from Mr. Schermerhorn dated the 15th, on the same subject, to Mr. Edison in North Carolina, and received his reply back a day or two since to the effect that he thought it would be better policy for us to pay White £400, getting a receipt in full from him; although, as he states, he does not see that White has any claim whatever against us, and he also suggests that if you can get an undertaking from him that he will keep out of the phonograph business in Europe and the British Isles so much the better... Although his opinion was different from mine, I nevertheless decided to accept same, and cabled you to-day as follows:

"Edison approves payment four hundred pounds White. Suggest procuring full release and undertaking he will not compete phonograph business."

As I have written you previously, we have never had any arrangement whatever with Mr. White direct. The arrangement originally made with him was between Mr. Edison and himself, and any payment that he has received he has received from Mr. Edison direct and not from this company or any other company. I learn that he did receive \$4400.00 in the early part of 1904, but this was given to him by Mr. Edison, and not by us. His statement, that he was to get 10% in addition to his salary, on the profits is, so far as we know, not the truth, and I remember distinctly Mr. Edison telling him when we met in the Laboratory that we had never made him any such proposition, so that I am taking it that it is another one of Mr. White's favorite dreams.

So far as his putting £300 in the Phonograph Supply Co., I have nothing to say.

I presume that if the arrangement is put through you will secure from him a full release of all interests whatever and include Mr. Edison

2. 6/12/06.

G. C. Marks.

as well. I want to cover everything so that he will have nothing to say later. I do not agree with Mr. Edison on this situation, of paying the \$400, for reasons that I have explained to him and which I will explain in detail to Mr. Schermerhorn in reply to his letter, which will go forward by this same mail.

Trusting that you will have concluded this very long-drawn-out and unsatisfactory situation ere the receipt of this letter, believe me to be,

Yours very truly,

WBG/IWW

President.

June 12, 1906.

Robert W. Blackwell, Esq.,
Parliamentary Chambers, Westminster,
14 Great Smith St., London, S.W., Eng.

My dear Blackwell:

I duly received your letter of the 11th of May, confirming your cable and stating that you were quite prepared to take over the management of the Edison business on the lines indicated in my cable and also the letter which I wrote you under date of the 14th of May.

What we want is a Managing Director for the National Phonograph Co., Ltd., who will also have jurisdiction over the management of the selling end of the business on the Continent, and this refers to the French as well as the German companies.

What you state in your communication is exactly the case. We have experienced the same difficulties that every other American company has experienced in sending their people from here to look after their business, and we have concluded that the best thing to do was to get somebody on the other side who knows foreign methods of doing business and can thus work to the interests of all concerned.

I could not acknowledge your letter before, nor could I write you fully until I had communicated with Mr. Edison, who was at the time, and still is, somewhere in North Carolina looking up cobalt. I received back a reply from him the other day, and I quote his own words:

"Prefer paying Blackwell a salary, but with an assurance that if he manages the business successfully, to be determined by myself, that he will receive a further amount, also determined by myself, and that altogether, if he proves the right man, he will have no regrets that he came with us."

This seems to be about the "meat" of the whole situation and it is now a question for you to indicate what salary you should expect, leaving the question of further compensation to be determined at the end of the fiscal year, which has been changed by us to December 31st of each year.

I am also in receipt of your letter of the 23rd, acknowledging mine of the 14th, and in answer to this would say that I cabled Schermerhorn Director and that he is to confer with you, giving all particulars that you might want to know as to our business.

2. 6/12/06.

R. W. Blackwell.

I feel perfectly satisfied that your coming with us will be advantageous all the way through, not only from a monetary standpoint but in other directions as well, which, of course, is something that we will have to leave for time to determine.

Now as to the battery, I can only say that Mr. Edison is looking around for Sobalt to take care of the battery business. This seems to be the hitch now; in fact, so far as I know is the only hitch that he has. In the absence of any details, however, I cannot say anything more than I have already written you; and I have also written Parshall to about this same effect some little time since.

I have also sent you a cable to-day to the effect that you can now confer with Mr. Schermerhorn, and of course I have cabled him; and I trust that you will be able to put in a little time before your marriage.

Yours very truly,

WBG/IWW

President.

June 12, 1906.

J. R. Schermerhorn, Esq., Chairman of Directors,
National Phonograph Co., Ltd.,
London, England.

My dear John:

I duly received your letter of May 15th on the White situation, but I have been unable to answer it, inasmuch as I had to forward your letter, as well as the communication of Mr. Marks, to Mr. Edison in the South, and only got it back a day or two since. In returning it to me Mr. Edison says as follows:

"In my opinion if we can forever get rid of White by payment of \$2,000.00 we better do it, as it may be cheaper than lawyers, although he has not the ghost of a claim; but one never knows what a damn fool will do. If you can get paper from him that he will keep out of the phonograph business in Europe, so much the better."

I do not agree with Mr. Edison for the following reasons: In looking over the Profit and Loss sheet for the ten months ending February 29, 1905, I notice that the net profits of the London office were \$11,249/0/6, which, figured at \$4.80 to the pound, equals \$53,990.00 (about); and on this White seems to think he is entitled to some consideration. You will also remember that the loss for the ten months ending December 31st, 1905, amounted to 25055/19/6, or about \$24,268.00. The figures that I have before me show that the profits for the year ending February 29, 1904, were about \$27,400.00; but it would seem at that time others had made errors at Antwerp, and in ~~submitting~~ figures to Mr. Edison by which he could determine what further compensation should be paid to White at that time he decided to pay him \$4400.00. We will now take the three years business (two years and ten months):

| | |
|--|------------------|
| Profits year ending Feb. 29, 1904, | \$27,400.00 |
| Profits year ending Feb. 28, 1905, | <u>53,990.00</u> |
| Total, | \$ 81,390.00 |
| Losses 10 months ending Dec. 31, 1905, | <u>24,268.00</u> |
| Net profits for the three years | \$57,122.00. |

2. 6/12/06.

J. R. Schergerhorn.

Against this Mr. Edison paid Mr. White \$4400.00, which is approximately 8%. As I understand it, he asks us to wipe out the amount standing against him of \$544/9/9 and give him an additional amount of \$400 to square up matters. As I figure it, and these figures have been checked by both Westee and Buehler, this would be giving him a total of \$6,931.00 in cash, which, on a total profit of \$57,125.00 covering the three years, is about 15%. I do not think this is fair at all. On the other hand, if you will take the net profits for the three years at \$57,125.00 and accept his own statement of 10% on the profits to be paid him it will come out as follows:

| | |
|---------------------|-------------------|
| 10% of \$57,125.00- | \$5,712.00 |
| Less amount paid, | <u>\$4,400.00</u> |
| Difference, | \$1,312.00. |

Against this we have a charge of \$544, or \$2611, and I figure that he will therefore be owing us \$1300.00. However, as Mr. Edison has decided to pay over the amount rather than have any further controversy I must of course bow to his decision, and I hope this will be the end of it.

I note what you have to say in your last paragraph, and there may be a great deal of truth in this, but then he should have taken measures to protect himself. I hope, however, that you will soon be able to get rid of him and get everything closed up.

Yours very truly,

WEG/IW

President.

June 12, 1906.

J. R. Schermerhorn, Esq., Chairman of Directors,
National Phonograph Co., Ltd,
London, England.

My dear John:

I have your favor of May 28th. I have already written you fully regarding the resignation of Mr. White.

Regarding phonographs, I will say to you that the total unfilled orders at the present time amount to 25,250. A great many of these are for future delivery and quite a number are to be shipped to you, but nevertheless, the fact remains that this represents the unfilled orders.

The unfilled record orders amount to 1,450,162.

We are working to get our output of machines up to 8500 per week. This requires a great deal of additional machinery, the greater part of which has been ordered for a long time past and which is coming in weekly. We are not turning out the required quantity as yet, but I am hoping, of course, for better things and continue to press matters all around with this object in view. If we ever do get up to any such output I think we will be able to take care of you in good style as well as ourselves.

Now so far as records are concerned, we appreciate the fact that you have competition over there, but nevertheless, as I have stated before, I do not see why, if we keep up the quality of our records, we should not get our share of the business.

2. 6/13/06.

J. R. Schermerhorn.

So far as Chicago is concerned, Floyd's defalcation amounted to \$3240.00. He was bonded for \$5,000.00, so that, of course, we will get our money back. I have had so much trouble with Chicago that after due consideration I decided to close it up entirely, and this became effective May 31st. I expect to have everything cleaned out there by the end of this month. This does not apply to the Edison Manufacturing Co. goods nor to the Commercial Department of the Phonograph business; they will retain one floor and it is our intention to sublet the other. Floyd was not very long in our employ but came to us very highly recommended. It was the same old thing with him--"Wine, women and song"; this generally catches them, and the man with a twenty-five dollar a week salary and a wine taste does not make a success of it.

We have retained quite a few of the old help, but the greater part of it was dismissed, among others Harry Campbell; he got so bad that I had to let him out, and then again he was a "sixth wheel to a wagon" anyhow, as he never improved from the time we took him on.

I understand that Klompers have started home. My family are all quite well indeed and the Hot Springs trip did us all good. I believe your father is still in Orange, and when I see him I will remember you to him, as requested.

Mr. Edison is still South, but is expected back this week; however, you know what that means--we never know when he will get back. He started off on a three weeks trip to hunt for cobalt. He is traveling in the wilds of North Carolina. As to whether he will find what he is after is problematical. I understand that on this hinges the "Great and Only" new storage battery. Let us hope that he succeeds in getting it.

With kind regards to Agnes and yourself, and trusting this finds the children quite well, believe me to be,

Yours very truly,

Aug. 13, 1906.

G. Croydon Marks, Esq.,
Lyndon, England.

Dear Mr. Marks:

I duly received your letter of the 21st of July, and I also received a previous communication from you enclosing copy of the bill before Parliament covering the copyright situation. I have noted most carefully the clause that you had inserted in this bill which exempts records, and I see by a later letter from you, dated August 3rd, received this morning, that the bill has passed the House of Commons as well as the House of Lords, the clause that you inserted being unamended and that it will shortly become a law. Allow me to congratulate you on your success in this connection.

It is a very vital question over here now as to what they are going to do about our copyright law and it looks very much as though we are going to have a hard fight on our hands when Congress convenes again in December.

I also note that the German Desbriere patent has been assigned to the Edison Gesellschaft and they will thus be enabled to begin suit against infringers there without any delay.

With kind regards, believe me to be,

Yours very truly,

Telegramm-Adresse:
EDIPHON BERLIN.

EIGENE MÄUSER:

GRANDE RUE S.A.
NEW-YORK.
LONDON.
PARIS.
BRÜSSEL.

TRADE MARK
Thomas A. Edison
M.A.S.

Phon. - *Mary.*
Fernsprecher!
ANT II N° 2891

EDISON-GESELLSCHAFT M. B. H.

EDISON-PHONOGRAPHEN u. GOLDBUSSWALZEN.

SÜDUFER 24/25.

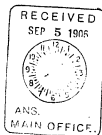
THOMAS A.
EDISON'S
PHONOGRAPHER,
GOLD-BUSSWALZEN,
KUNSTBOGEN,
ORIGINAL-PLATES,
NOTIZEN,
PENSIL-BATTERIEN,
RUBBER- u. MASCHINEN.

Berlin N 39

August 27th 1906.

Personal. _____

W. E. Gilmore, Esq.,
President.
National Phonograph Co.,
Orange, N. J.



Dear Sir,

On the 25th inst. I cabled to New York:

"Gilmore ship all machine^s less reproducers, latter less Sapphires".
This cablegram was the outcome of a long conference, I had with my attorney on the patent situation. His opinion was put down in writing I herewith enclose. He advises utmost care in that direction, because of our intended proceedings against infringers of our patents on the moulding process. Although the reproducer question has no bearing on our intended proceedings, our opponents very likely will search for weak points wherever they can find them, if for no other reason than merely to annoy us. The opinion of the Authorities is more favourable to small partial importation of patented goods as my lawyers's. You will find this on reading the translation promised and made for Mr. Edison. I send same to you under separate cover. However I wish to be absolutely safe in every respect, before I shall strike. For that very reason I have also cabled to Mr. Stevens, not to ship any more records to us until further notice, and have cancelled all my record orders in New York, London and Brussels. I shall refuse to accept all

W. E. Gilmore

W. R. Filmore, Esq. Orange.

American ^{orders} shipments already made, and shall instruct the shipping agent to return same to Mr. Stevens. I shall return to Orange all bills covering such shipments and no credit memo ^{will} be sent for same, as these returned bills will not appear on our books.

The first cablegram not being in cipher, appears to be quite plain and I am sure you have at once issued instructions that all machines should be shipped to us less reproducers. The reproducers packed separately, should be shipped less sapphires. In addition to this I should request you to again change the order and make it read:

Reproducers to be shipped less sapphires, reproducer button arm and reproducer button arm screws. A quantity of button arms and button arm screws ^(2,500 of reproducer button arm screws) to be mailed as per enclosed order.

A decided advantage ^{attach and sent to me} would be to us, if orders are executed in that way. With the old method, when the reproducers arrived, we first had to remove the button arm and screw from the reproducer, before we could insert the sapphire, and above all we had to have the reproducer before we could attach the sapphires, which meant delay in turning out reproducers and machines. With the new method we shall simply keep a large enough stock of button arms with the sapphires inserted, ready to be used as soon as a shipment of reproducers arrives.

It goes without special assurance, that all machines, which in the meantime were shipped to me complete, will be handled just as if they had no sapphires, and a German made sapphire inserted at our factory, in place of the other one.

Very truly yours
Thomas Graf
Managing Director.

[ATTACHMENT]

Mr Edison
Please
ring and
return ^{Don't quite understand} ~~the~~ ^{the} ~~writing~~ ^{explaining}
Yours
9
RECEIVED
OCT 22 1906
U.S. DEPARTMENT OF COMMERCE
ANS. MAIN OFFICE

Telegramm-Adresse:
EDIPHON BERLIN.

EIGENE MÄUSER:

ORANGE N.J.U.S.A.
NEW-YORK.
LONDON.
PARIS.
BRÜSSEL.

TRADE MARK
Thomas A. Edison
Edison-Records - Manufactured by
Edison-Records
PATENTED
ART. II. NO. 2291.

EDISON-GESELLSCHAFT M. B. H.

EDISON-PHONOGRAPHEN u. GOLDBUSSWALZEN.

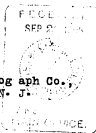
SÜDUFER 24/25.

Berlin 139

September 6th 1906.

THOMAS A.
EDISON'S
PHONOGRAMME,
GOLD-BUSSWALZEN,
KUNSTRESONNEN,
ORIGINAL-FILMS,
KINEMATOGRAPHEN,
PRIMAER-BATTERIEN,
NUMERIER-MASCHINEN.

W. F. Gilmore, Esq.,
President.
National Phonograph Co.,
Orange, N. J.



Dear Sir,

It is now almost a month ago, since I am back in Berlin, and if I have not written you about the patent situation, it is, because I have been very busy with our current affairs and especially with the patent question, which takes up most of my time and thought. It is such an important question, in fact, the most important question to me, at present, and I am using every care to make a sure success of it.

I have also taken exceptional precaution by countermanding all my orders for records with Orange, London and Brussels, I wrote you about this before. Our importation has always been exceedingly small, compared with our manufacture, so that according with the examples in jurisdiction (see the translation of Seligsohn's commentary to the § 11 of the Patent Law, recently sent you) no harm would be done by continued small importation, as long as the largest portion of the demand in Germany is supplied by home manufacture. We have manufactured even more than the demand, by exporting into Switzerland, Russia, Austria etc. in

W. F. Gilmore, Esq., Orange.

quantities considerably larger than our imports. Thus if the imports would continue at the same rate, no harm would be done. But with the valuable object in view, I wish to go safe in every respect and rather do more than necessary towards that purpose. By cancelling all orders pending abroad, and absolutely refusing all importation, I am fully protected against the dangers, which the §11 has in store for the patentowners. The former patent owner Mr. Marks has never imported, and we, the patent owners since last week, have not imported a single record. - - No one can start a suit for revocation of our patent, based on that assertion that the patent is not worked to an adequate extent.

Patent lawyers. I have mentioned to you Justizrat Dr. Katz and Justizrat Dr. Seligsohn. They are the two best in Berlin. There is not a third one who ranks with them. I have been somewhat prejudiced against Dr. Seligsohn, but I do not hesitate to confess, that I have changed my opinion, and I should very much prefer to have him also. Our principal strength of course lies in the Merit of our patent, but the personality of our representative, or that of our opponent, if a much smaller one, it is still a factor and I should not like to see either of these two eminent lawyers on our opponents side. I should like to retain both and give each a case in the lower or court of first instance. I have therefore cabled to you yesterday:

"Amortiguar Gagesco Cenoby opinions very favorable
Arqueis Katz and Seligsohn both eminent Bevernel give

W. E. Gilmore, Esq., Orange.

each one separate case thereby incurred additional
Andranno Credebamus Cable Authorization"

which translates:

"Evidence has been secured suit will be brought next week
opinions very favourable will mail you a letter giving
full particulars Katz and Seligsohn both eminent strongly
recommend you to give each one separate case thereby
incurred extra expenses will be about \$ 800.-. Cable
Authorization."

The tenor of the cable is evident. I wish to advise
you, that I have secured all evidence necessary, and that I am
prepared to start two suits next week. My object in engaging both
lawyers Dr. Katz and Dr. Seligsohn, is to prevent our opponents
to engage either of them. Katz or Seligsohn cannot accept anymore
the work for any of the larger Companies later on, whenever we
should think it necessary to start a suit against them. The extra
expenses, which we shall incur by also engaging Dr. Seligsohn will
not amount to more than \$ 800.-. and I believe, the object in view
is worth the investment. It is doubtless, that the engagement of
the two most prominent patent lawyers will add to our prestige.

I obtained a favourable opinion from Justizrat Dr. Katz,
which was essentially the same as that given by Dr. Seligsohn.
I caused Dr. Seligsohn to give his opinion also in writing, in
order to engage him thereby particularly for us and caused to re-
fuse in case any of our opponents should wish to retain him for
a possible suit.

W. E. Gilmore, Esq., Orange.

For your information I beg to say a few words about the proceeding of law suits in Germany. A suit for patent infringements before being absolutely final, has to go through three courts or instances. If it goes through three instances, it is handled by three lawyers. The first lawyer is allowed to plead in the court of the first instance only. Dr. Katz and Dr. Seligsohn can appear only in the courts of first instance. After a decision in the court of first instance has been handed down, in many cases the suit is dropped there by both parties. Should the plaintiff or the defendant not be satisfied with the decision of the first court, he then can appeal and a suit is carried on in the court of the second instance.

Against the decision of the latter, plaintiff and defendant can appeal and then it is brought before the (Reichs-Gericht (Imperial Supreme Court) at Leipzig. For the courts of second and third instance I have also secured the two best lawyers. No expenses were incurred by securing the lawyers; it is simply necessary to ask them not to take any case against us if it should be offered them. Of course, when the suit later passes over to the court of second and third instance, we are under a certain obligation, to let it be handled by the lawyers thus retained.

The Evidence against Abrahamsohn of Cologne, the party who uses our records as masters, will be procured on Saturday or Sunday. I have inserted an advertisement in several Cologne papers, demanding hands for a record factory, stating that those, having experience, will be preferred. This will bring workmen of Abrahamsohn's

W. F. Gilmore, Esq., Orange.

to the place in Cologne, which I have named in the advertisement, and where my representative will be. The names and addresses of the workmen will be sufficient evidence.

I have translated Dr. Seligsohn's opinion and tried to make the translation as plain as I possibly could. I herewith enclose a copy of same. I have also given orders to two sworn experts at the court to give an opinion on the import of the Desbrière patent. One expert has finished the opinion and I am just now at work to translate it. As soon as it is ready, I shall be pleased to send you a copy.

I trust that you will approve of my plans and that I will receive an answer to my cable to-morrow.

Very truly yours.

Thomas Edison
Managing Director.

Enclos.



Th. G. / Sch.
6/9.06.

[ATTACHMENT]

M. Edman
Please note and return
with your comments
G. E. Greene
OK 10/97

RECEIVED
SEP 26 1997
ANS.
MAIN OFFICE

ANS.
MAIN OFFICE.



Telegrams & Cables: "RANDOMLY, LONDON."
Codes used: A.I. A.B.C. COMMERCIAL
LIEBEN'S AND HUNTING'S



Telephone
No 5050 HOLBORN.

Manuf.

FACTORIES.

ORANGE N.J. USA.
BERLIN.
PARIS.
BRUSSELS.

NATIONAL PHONOGRAPH CO. LTD.

EDISON PHONOGRAPHS & RECORDS.

25, CLERKENWELL ROAD.

THOMAS A.
EDISON'S
PHONOGRAPHS,
GOLD MOUNTED
RECORDS,
PROJECTING
MAGNETOGRAPHS,
ORIGINAL FILMS,
BATTERY FAN
MOTORS,
PRIMARY BATTERIES

IN REPUBLISHING ADDRESS, THE COMPANY, NOT
THE HUSBAND, AND INVERTING THESE DETAILS

PERSONAL. *London, E.C.*

September 18th, '06.

W. E. Gilmore, Esq.,
Orange, New Jersey.

My dear Ed:

With reference to your letter of August 15th on the subject of the Edison United Company, I beg to quote you a letter which I have received from Mr. Graf :-

"Deutsche Edison Phonographen Gesellschaft, m.b.H. Cologne
I beg to advise you that the liquidation of the above concern ended at the beginning of this year. According to a publication in the Commercial Court dated January 3rd, 1906, the "authorisation of the liquidators terminated and the firm is "extinct".

This would seem to indicate that the fact of liquidation has carried with it the forfeiture of their Charter and whatever similar procedure may be necessary in Germany.

I have written Graf further on this subject to ascertain as to whether or not it would not be possible in some way get the German control of the word "phonograph" or "phonographen" in connection with the name "Edison". I believe that we are unable to incorporate the word "phonographen" in the title of the German Company.

Yours very truly,

CABLE ADDRESS: "ZYMOTIC, NEW YORK."
ALL ARE COMMERCIAL, LIBRARY, PRINTING AND PRIVATE CODES USED.

TELEPHONE:
4412 FRANKLIN.



FOREIGN DEPARTMENT
OF THE
**NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.**

FACTORIES:
ORANGE, N.J., U.S.A.

31 UNION SQUARE, COR. BROADWAY & 19TH STREET.

~~33 CHAMBERS STREET~~

NEW YORK, N.Y.

EUROPEAN OFFICE,
"TEMPER-RECORDERS,"
"INTER-RECORDERS,"
25 CLEVERVELL ROAD,
LONDON, E. C.

EDISON PHONOGRAPHS
AND RECORDS
EDISON PROJECTING KINETOSCOPES
AND ORIGINAL FILMS
EDISON PRIMARY BATTERIES
AND FAN MOTOR CUTTINGS
BATES AND EDISON NUMBERING MACHINES

New York, N.Y.

Sept. 25th, 1906.

Mr. Thomas Graf, Managing Director,
Edison Gesellschaft, m.b.h.,
24/25 Sud-Ufer,
Berlin, N., Germany.

Dear Sir:-

I received, late yesterday, the following cable from
London, signed by Mr. Schermerhorn:-

"Gilmore: German patent suits causing consternation
customers demand names infringing makes mentioning Colum-
bia especially Columbia promising indemnity excelsior lar-
gest German company solicit license could probably arrange
limited license with strong opinion their solicitor advoca-
ting license account invulnerability our position royal-
ty fifteen pfennigs and raising price to one mark twenty-
five at which figure competition comparatively harmless
recommend serving Columbia to strengthen good impression
created with trade also your consideration license ques-
tion which might establish favourable impression graf re-
turns Berlin tonight cable answer there."

In accordance with Mr. Schermerhorn's instructions, and
after due consideration, I cabled you this morning as follows:-

"Ediphon, Berlin: Think favorably license full term
patent royalty fifteen pfennigs and one mark twentyfive
list, both to be incorporated in contract, maintenance
selling price part of consideration for license. If possi-
ble advise delay serving Columbia until Excelsior
closed."

I assume that the patent referred to is that of Desbriere.

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

T. G.,

-2-

However, your cable is quite understood, and I trust that our reply will be entirely satisfactory. We have assumed, of course, that the royalty of 15 pfennigs is the very best that you can do, but we have not indicated a larger royalty, inasmuch as we prefer to leave this to your best judgment, rather than to interpose an objectionable price. As we figure it, this amounts to 3-6/10¢ per Record royalty.

The further consideration that the Excelsiorwerk shall increase their list price to mk. 1.25, is good, but of course, they must arrange in the contract that they will maintain this selling price with all their customers. Their selling price to the trade will no doubt take care of itself, and I assume that this royalty will prevent their cutting the price very much below that at which we are now selling.

Our suggestion that you delay serving the German Columbia Company until after the agreement with the Excelsiorwerk has been closed will no doubt work advantageously for you in the long run, but this, of course, is a matter that we prefer to leave to you and your attorneys to decide.

Trusting that this will turn out to the mutual satisfaction of all concerned, and awaiting your further communications, I am,

Yours very truly,

W. E. G.

C.

President.

[ATTACHMENT]

~~Think favorably~~

Think favorably of license fifteen

offering and ^{one} a mark twenty five
let both to be incorporated in Council
~~with~~ Maintenance setting process

part of Consideration for License
~~the~~ ~~the~~ advise delay sending Columbia
with ~~the~~ ~~the~~ Exclusion Closed ~~the~~ ~~the~~ ~~the~~
~~if possible~~

Phon. - Patent
TELEGRAMS - RANDOLPH

EDISON-GESELLSCHAFT M.B.H.

25 OLERKENWELL ROAD.

London, N.Y.
Sept 25th 1906
W. E. Gilmore

September 25th, 1906.

W. E. Gilmore, Esq.,
Orange, New Jersey

Dear Sir,

Mr. Graf came on from Berlin yesterday morning to confer with me regarding the German patent situation. He translated for me some articles that had been printed in German trade papers, a circular which he sent out, and also showed me a number of letters from his dealers.

It seems that the solicitors, Dr. Seligeohn and Dr. Katz, both recommended that a circular be sent to the trade drawing their attention to the fact that we own certain patents, and cautioning them against handling infringing products. Necessarily this created a big stir among the trade, and naturally it brought forth enquiries from the trade as to which records were infringing products, and in most instances the Columbia record was mentioned particularly, inasmuch as this is one that has the largest sale in Germany other than our own.

Mr. Graf advises that the initial effect of this circular has been very good in that orders have very materially increased.

The largest German manufacturer of records is the Excelsiorwerk of Cologne. These people are very much exercised, and their Manager has practically admitted to Graf that he is afraid of our patent, and has therefore approached him to the end of securing

EDISON-GESELLSCHAFT M.B.H.

TELEGRAMS "RANDOMLY"

25 CLERKENWELL ROAD.

London, E. C. _____

a license.

The Columbia people have sent out a circular to the trade stating that they would indemnify them against damage and so forth provided all cases are turned over to their solicitors.

Graf naturally feels, in order to strengthen the impression that has already gained ground, that it would be very advisable to start a suit against the Columbia Company, and it is practically imperative that this procedure be followed provided he advises the trade of the names of the records that we consider are infringements.

The cost of bringing a suit against the Columbia Company would run probably to about Mks. 3000.

After talking the matter over with Graf and giving it careful consideration I agreed with him that it would be well to start a suit against the Columbia Company. Without a doubt the additional business that would accrue through fear on the part of dealers would much more than offset the expense of starting such a suit.

I also considered very carefully the question as to whether or not it would be advisable for us to license the Excoelsiorwerk. It occurred to me that by pursuing such a plan it might create a favourable impression in that we had no especial desire to stifle existing German industries although the lawyers state that they think it will make no difference with the status of our case. The point is, however, that these suits are naturally long drawn out

EDISON-GESELLSCHAFT M.B.H.

TELEGRAMS "RANDOMLY"

25 CLERKENWELL ROAD,

London, E. C.

and it is quite possible that from a year to two years will transpire before a final decision is arrived at. Such being the fact it might be advisable to license this Company as by so doing it would be an acknowledgment on their part of the validity of our patent which fact could be used to very good advantage with the trade. Of course it goes without saying that should we grant them a license it would be for a limited period, say, two years at the maximum, and the license would also carry with it the fact that they should sell their records at a higher price than is now asked, their present price being Mk. 1.00.

Graf feels quite satisfied that if we make them sell their records at Mk. 1.25 their competition would not be harmful; in fact that their business would be very materially decreased, and the decrease would probably come to us.

In view of the above I cabled you as follows :-

ZYMOTIC NEW YORK

GIMORE German patent suits causing consternation Customers demand names infringing makes mentioning Columbia especially Columbia promising indemnity Excelsior largest German Company solicit license Could probably arrange limited license with strong opinion their solicitor advocating license account invulnerability our position Royalty fifteen pfennigs and raising price to one mark twentyfive at which figure competition comparatively harmless Recommend serving Columbia to strength good impression created with trade Also your consideration license question which might establish favourable impression Graf returns Berlin tonight Cable answer there
SCHERERHORN.

I tried to make the cable plain and trust that the wording conveyed to you practically the information given in this letter. The last

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27

TELEGRAMS "RANDOMLY"

EDISON-GESELLSCHAFT M.B.H.

25 CLERKENWELL ROAD,

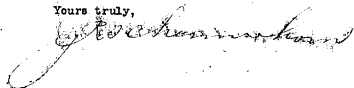
London, E. C. _____

paragraph was added so as to apprise you of the fact that I had had a personal conference with Graf on the subject.

In conclusion I can only reiterate that I think it would be advisable to commence suit against the Columbia Company, and I rather incline to the opinion that it would be a good plan to license the other Company provided we could do so on the terms indicated in the cable, viz: get an opinion from their lawyer that he considered our patent good, increase in price, and for a limited period.

The question of royalty is not of such moment to my way of thinking except that by making them pay a rather heavy royalty it will carry with it the necessity of their selling at higher prices to the trade.

Yours truly,



J.R.S./L.D.

T.G.

Telegram & Cable: "RANDOMLY LONDON"
Codes used. A. I. A.B.C. COMMERCIAL
LETTERS AND MONTHS

THOMAS A. EDISON
NEWARK

Record-Making.
Telephone
NY 5050 HOLBORN.

FACTORIES.

ORANGE N.J. USA.
BERLIN
PARIS
BRUSSELS

IN READING ADDRESS THE COMPANY AND
THE MEMORIAL AND SECTION THESE INITIALS

NATIONAL PHONOGRAPH CO. LTD.

EDISON PHONOGRAPHS & RECORDS.

25, CLERKENWELL ROAD

THOMAS A.
EDISON'S
PHONOGRAPHS.
GOLD MOUNTAIN
RECORDS
PROJECTING
KINETOGRAPHES.
ORIGINAL FLASK
BATTERY PAN
MOTORS
PRIMARY BATTERIES.

September 27th, 1906.

PERSONAL.

W. E. Gilmore, Esq.,
Orange, New Jersey, U.S.A.

My dear Ed:

I have been here practically a year although of course I did nothing much in the way of actively looking after the business until the latter part of October 1905. During that period the reports which you have had have indicated that there has been a growth in the business as compared with the previous year, and during the first eight months of the present year there has been, of course, a very decided increase over the first eight months of 1905.

The comparative figures are as follows :-

| | 1905. | 1906. |
|-------------------|----------------|--------------|
| "Gem" phonographs | 8472 | 18720 |
| "Standard" " | 4885 | 6147 |
| "Home" " | 1168 | 1203 |
| "Triumph" " | 160 | 165 |
| Records | 654,407 | 932,075 |
| Sales | \$54,123.11.10 | £78,399.16.8 |

The sales for the first eight months of the year 1904, which was the largest year's business, were £78,217.18.8, and the sale of records during the first eight months of 1904 was 1,221,628.

The above figures will indicate to you that while the business as a whole is larger than any like period, it further shows that the growth runs to machines rather than records as compared, of course, with the largest year.

You will, of course, know that the large increase is in the "Gem" type machine, thereby indicating very conclusively that our

N. P. Co., Ltd.

products are sold very largely to the Masses.

2
Naturally this increase in business is gratifying, but I regret to admit that it is not entirely satisfying to me. Such information as I have been able to get shows very conclusively that while we are getting the major part of the machine business we are not holding our own in the record business. Even though there is an increase this year over last year it is nevertheless a fact that the business of our competitors, particularly the Edison-Bell Company and the Sterling Company, has been much larger than has ours in records, and it is also true that there has been a decided increase in the business of the Edison-Bell Company even in the face of the amount of business that has been done by the Sterling Company. I have not considered the amount of business which has been done by other competing firms such as Pathé, Columbia, Rex (Lambert) and several other makes, whose business, I believe, is comparatively unimportant.

I am of the opinion that we are not getting more than 25 per cent of the record business, or a maximum of 33 1/3.

I am further compelled to admit that the strength of the shilling competition is growing, and this will be particularly true from now on with respect to the Sterling record.

As you know I am about to do some direct advertising which will possibly change conditions, but I am not especially optimistic as to the final results.

There is no question but that a shilling is a popular price in this market, and there is no question but that phonographs are largely owned and purchased by a class of people to whom sixpence is of considerable moment, and I believe that the matter of price has a larger governing influence here than it has in America. There is no question, therefore, that so long as we maintain a price of 1/6 on our records it will have a tendency to strengthen the position of our competitors and it is a question as to whether or not we will eventually have to reduce our prices in order to do a satisfactory amount of business.

In my talks with the different factors very few of them advocate that we reduce the price of our records, but when you stop to consider that they are all handling one or two makes of 1/- records it is rather immaterial to them as to whether we reduce our prices or not inasmuch as if they cannot sell our records they are in a position to take care of the shilling trade.

Now the question is as to whether or not we will be able to increase our record business at present prices. Necessarily we must increase otherwise we are not making progress. The other question is as to whether we are satisfied with 25 or 30 per cent of the record business. As above stated there is no question but that the Edison-Bell and the Sterling have grown stronger during

N. P. Co., Ltd.

the past year, particularly the last mentioned Company who are doing a profitable business, and have recently taken on the exclusive agency of a disc machine and record - "The Odson" - and who will cut quite a figure in the business if something is not done to offset their progress.

The next point is if they continue to grow and we are compelled later on to reduce the price of our record, is it not worthy of consideration at this time, that is, to cut the price before they become so strong as to make it much harder to overcome such a position as they may establish for themselves.

I realise that in considering the question of reducing the price of records in England we have got to bear in mind our affiliations in other directions, but it occurs to me that even though the price of records were reduced here it need not of necessity influence the prices in other countries.

The next point is - the matter of costs. Could we afford to reduce the price and still make a satisfactory profit? The last report which I had from Rishl indicates that his costs were about 9 1/2 cents, but it strikes me that there is no reason why this cost could not be materially reduced provided the output could be increased. Also in figuring these costs without a doubt he has included the cost of moulds. I understand that eventually the moulds have to be written off, but in the past we have taken rather an arbitrary stand in writing off each year the entire expenditures or rather in charging up the recording and mould-making expenses against the cost of records.

Another point is that with our present manufacturing facilities it would doubtless be impossible for the foreign plants to take care of the demand should our price be reduced to one shilling, but inasmuch as you are largely increasing your facilities at Orange it occurs to me it is more or less probable that you would be able to furnish a considerable number of records for this market from Orange.

The prices of our principal competitors are as follows :-

| | <u>Factors.</u> | <u>Dealers</u> |
|------------------------|-----------------|----------------|
| | s. d. | s. d. |
| Sterling Company | 6 | 8 |
| Edison-Bell | 4 1/2 | 7 |

In considering the matter of reducing prices we must, of course, consider the prices at which we should sell to factors and dealers. The lowest we should have to give would be to meet the price of the Sterling Company, but it occurs to me that we could sell our

N. P. Co., Ltd.

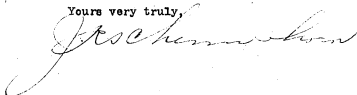
records at 7d (sevenpence) to factors and 9d (ninepence) to dealers, and by spending some money for a time in direct advertising would force the dealers to give our product preference, even though the profit were a penny per record less.

It is possible that from this letter you may feel that I am down in the mouth, but I wish to assure you that such is not the fact, that, on the contrary, I am very pleased with the fact that the business has increased since I have been here. I am writing this letter, however, because I appreciate that there is an existing condition that is worthy of our serious consideration, and that I personally feel it will be impossible for us to attain the pre-eminence in the market here that our Company ought to have unless we make a different move. We shall doubtless continue to do a certain amount of record business, in fact we may increase it slightly but I am rather of the opinion that we will do well to hold our own from now on, and I know very well that this would not be pleasing to either Mr. Edison or you. On the other hand if we could sell our records at 1/- (one shilling) each I am quite satisfied that we would in a short time practically control the market, at any rate we would seriously affect the business of all the other concerns, and as a matter of fact I do not believe that any of them would live except the Sterling, and their life would depend entirely upon the fact that they are making a longer record.

It goes without saying, however, that if the change of prices here would necessitate changing our prices elsewhere then I do not think we should consider it, even though the business here did not meet our expectations.

I have not heard anything from you as to whether or not you purpose getting here this Fall, but in the event of your so doing, which would be very gratifying to me, I thought it well to write you this letter so that you could talk it over with Mr. Edison before your departure and be prepared on your arrival here to go into the matter very carefully with me.

Yours very truly,



NATIONAL PHONOGRAPH COMPANY.

Oct. 11, 1906.

J. R. Schermerhorn, Esq., Chairman of Directors,
National Phonograph Co., Ltd.,
London, England.

Dear Sir:

I duly received your letter of September 29th, on the subject matter of the Edison-Bell Co., and it came in the very day that we had a conference with Marks. Mr. Edison, Mr. Marks and myself discussed the situation generally, and Mr. Edison, after reading over the communication, simply stated that he wanted nothing whatever to do with them, and in this I agree with him. After looking over the statement which you sent me in your previous letter, I do not see how they could expect to continue to do business. They are simply overloaded with obligations of all kinds and I do not see but that in the long run the company will have to be entirely reorganized or else be sold out for the benefit of creditors, bond-holders and stock-holders. So far as the proposition to purchase at or about £120,000, this is, to say the least, preposterous.

The United Co. came at us with a proposition to purchase their assets for something over \$400,000. This was thrown down so hard by Mr. Edison that I can actually see the sky rockets going in all directions yet. They seem to be on the run all around, and we have no money to spend buying up rotten defunct corporations, so the next time Mr. Hough comes in to see you or approaches you on this general situation, simply turn him down cold and tell him it would not be considered.

Yours very truly,

WEO/iww

President.

NATIONAL PHONOGRAPH COMPANY.

Oct. 15, 1906.

Thomas Graf, Esq., Managing Director,
Edison Gesellschaft m.b.H.,
Berlin, Germany.

Dear Sir:

I have your favor of the 2nd, enclosing copy of letter to Mr. Schermerhorn, relative to the contract with Excelsiorwork as to the manufacture and sale of records. The only thing in this that seems to require any answer is as to whether we will permit them to retail records at a list price of 1.20 Marks and 80 and 70 Pfenigs respectively for dealers and jobbers. I do not know what decision was arrived at by Mr. Schermerhorn and yourself, but I assume it was in the affirmative. I see no good reason why you should not permit these prices, but it is purely a question for your decision, and I cannot, of course, say what should or should not be done. The difference of 5 Pfenigs, however, would not seem to me to be of any great moment so far as the prices of our records are concerned.

Let me congratulate you again on the promptness with which you made this arrangement, and I hope that the fact that this contract has been made will prove very effective ammunition for you in connection with jobbers and dealers who are handling the product of other manufacturers, particularly that of the Columbia Co.

I also acknowledge your letter of the 3rd, enclosing translation of the agreement with Excelsiorwork, which I have read over most care-

Form 46

2. 10/15/06 NATIONAL PHONOGRAPH COMPANY. Thomas Graf.

fully and which seems to be in every way satisfactory so far as I can judge.

Yours very truly,

WBG/IWW

President.

Tele. Gram. - Adresse:
EDISON BERLIN.

EIGENE HÄUSER:
ORANGE N.J.U.S.A.
NEW-YORK.
LONDON.
PARIS.
BRUSSEL.

TRADE
Thomas A. Edison
MARK.

Phon. - Mar. 1906

Fernsprecher:
ART. E. NP 2891.

EDISON-GESELLSCHAFT M. B. H.

EDISON-PHONOGRAPHEN u. GÖLDEUSSWALZEN.

SÜDUFER 24/25.

THOMAS A.
EDISON'S
PHONOGRAPHEN,
SÄGE-GÖLDEUSSWALZEN,
KINETOSCOPE,
ORIGINAL-FILMS,
KINETON,
PNEUM.-BATTERIEN,
NUMERIER-MASCHINEN.

Berlin. 839 October 18th 1906

W. E. Gilmore, Esq.

President, National Phonograph Co.
Orange, N. J.



Dear Sir,

During my visit in Orange I promised to give you a report in what way the special registration of our Berlin factory could be effected. To register the factory as a branch of the National Phonograph Co, Orange, is rather difficult and Dr. Schneider strongly recommends not to do this. The difficulties which are to be met with in establishing a branch house of a foreign company are the following:

1) As may be seen from the enclosed copy of the concession, in order to establish such a branch house, it would be necessary to obtain the permission for manufacturing from the Prussian Secretary of Commerce, before the registration could take place. There is no doubt that such permission would be granted to us, however it must be considered that it would take a very long time, in any case a year and a half or two years, before the concession is given. To this we must add the fact that such concession could at any time be withdrawn, without any reason being named for such an action, although under ordinary circumstances such withdrawals do not take place. Very often, however, we must

W.E.Gilmore, Esq.

reckon with the possibility of such a withdrawal. All these difficulties can be avoided by establishing a company with limited liability in the same form as the Edison Gesellschaft has been established.

2) A branch house is obliged to supply to the chief police department annually, not only the special balance of the Prussian branch house but also the general balance of the Head Company. According to the lawyer's experience most American companies refuse to show their own balance if they are not obliged to do that in the United States.

3) The main difficulty consists in the assessment of taxes; the principle to tax the branches of foreign companies consists therein that the profit made by the Prussian branch house or factory must be determined and compared with the general profit made at the head quarters in order to ascertain the ratio of the profit of the branch house to the general profit. To arrive at this result the authorities demand regularly the balance of the main house and of the branch, certified copies of the minutes of the meetings of shareholders, when the balances were approved, and a great number of other formalities. The lawyer says that his experience has taught him that most American companies do not at all care to go to the trouble of supplying all these papers, and he knows that many companies that had their branch houses registered with great expense and trouble, have afterwards withdrawn the registration of the branch house and have chosen to establish a company with limited liability in order to avoid the

Edison-Gesellschaft m. b. H.
Berlin N.

cont.3.

W.E.Gilmore, Esq.

difficulties which the authorities make.

4) It does not appear that there is any special reason why a limited company would not answer our requirements. The formalities are simple, the expenses of establishment small, if compared with those of a branch house. Companies with limited liability pay no higher taxes than branch houses.

For this reason I should advise you to establish a company with limited liability and authorize Mr.Schermhorn, Mr.Marks or myself to make all arrangements to that effect. There are two ways:

- 1) The Edison Gesellschaft could take the factory over. In that case small or no formalities at all would have to be fulfilled.
- 2) The National Phonograph Company, Berlin, is to be registered as a company with limited liability with two or three shareholders. The number of shareholders is not limited, (however there must be at least two) and one or two directors.

Very truly Yours,

Th. G. Sch.
Director

W

Einlagen.

Th.G./Sch. Dkt.17.

NATIONAL PHONOGRAPH COMPANY.

Oct. 24, 1906.

J. R. Schermerhorn, Esq., Chairman of Directors,
National Phonograph Co., Ltd.,
London, England.

Dear Sir:

I have your favor of October 3rd, giving details of the transactions of the National Ltd. for the month of September. Of course, had we been able to give you all the Grams you could use you would have been able to show an increase rather than a decrease in their sale. Mr. Edison has seen the letter and of course is very glad to know that we are forging ahead in the British Isles.

The figures as to the increase in the sale of records for the first nine months of 1906 over 1905 are also most gratifying. As I have heretofore indicated, there is only one thing to do and that is to keep plodding along in the same old way and I am sure that we will eventually be able to do a satisfactory business on the other side. It is not what we expected so far, but as it continues to increase of course we will have to be satisfied.

I have just read over the reports of the Gramophone & Typewriter, which came in several days ago. I must say that they are indeed gratifying, and it only goes to show that their methods are entirely proper and they seem to be succeeding all the way around. We must pursue the same course and endeavor to increase our business in all directions. I do not feel, however, that we want to take on any other countries until what we have at present are on a paying basis. The French situation

Form 514

2. 10/24/06 NATIONAL PHONOGRAPH COMPANY. J. R. Schermerhorn.

strikes me as being most deplorable, and in discussing the situation with Mr. Edison our impression seems to be that unless there is a very marked improvement it will be far better for us to discontinue that branch entirely, wipe out the French company and arrange to make such sales as we can under the old process of distribution in the principal cities. I do not know but that you had better consider this situation carefully and let me have your views. I do not know whether Galloway has proven to be all that you expected of him, but I know one thing,--that the sales are not increasing materially. It may be that the French situation is so entirely different from the other countries on the Continent that the course above suggested will be the best in the long run. It would be an awful black eye for us, however, if we were to consider doing any such thing, as it would simply mean that our competitors would say that they had driven us out of the country. However, it is food for thought, and as you are on the ground you can give me some pretty good data to enable me to form a definite conclusion. I am loath, however, to give up until I am thoroughly satisfied that it is the best thing to do under the circumstances.

Yours very truly,

WBG/IWW

President.

copy

Oct. 24, 1906.

J. R. Schermerhorn, Esq., Chairman of Directors,
National Phonograph Co., Ltd.,
London, England.

My dear John:

I am in receipt of your personal letter of September 27th, on the general condition of business and outlining the comparative sales for the first eight months of the calendar year as against the same period of last year, which shows a marked increase in the sale of machines and also a decided increase in the sale of records.

I was able to get at Mr. Edison and discuss this communication very fully with him last week, but I wanted to consider the matter fully before I wrote you, hence the delay in doing so.

Of course, so far as machines are concerned, the increases show for themselves, and I am satisfied that as time goes on we will continue to do an increased business on phonographs and will also continue to do an increased business in records, providing the new output, about which I will refer to later in this letter, is satisfactory for all conditions.

Now in regard to the competition of the Edison-Bell and Sterling Co., I do not see how you can take the stand that the Edison-Bell competition is so severe as to hurt us to that extent as does the Sterling Co., and the latter company are only able to do us any great amount of harm by the fact that they have put on the market a little longer record which gives a trifle more for the money, and even then only when sold at a lower price than that which we ask from the public. If the

2. 10/24/06.

J. R. Schermerhorn.

Edison-Bell Co. are so anxious to sell out, what is the reason for it? Surely if the concern is making money they would not care to sell out, and it looks to me as though they are selling their records to the trade at such low figures that there is no profit whatever in it. This is particularly the case so far as factors are concerned. We do not see how they can make very much profit by selling their records at 4 3/4 d. per record, nor do we consider that the Sterling Co. are making any great profit in selling to factors at 6 d. We find over here that all the ingredients that go to make up the component parts of records have increased in price, and I must assume that prices have not diminished on the other side of the water, as if manufacturers can get better prices for their products here, naturally they are going to ship the goods here and thus secure the increased profits, so that I must therefore assume that neither of these concerns can produce records at a very much lower cost than ourselves. I not only refer to our own manufacture here, but also to the cost of records as made in Brussels and in Germany, with the figures of which you are familiar.

Now so far as a longer record is concerned, immediately the Sterling records came in we at once got to work to see what we could do towards bringing out something of a similar kind. It is out of the question to do anything this year, but we are hoping by March, 1907, to produce a record that will be superior to the product of the Sterling Co.

There is another question, however, that seems to me vital, and that is, whether these records are going to stand up to the work all the way around and in all countries satisfactorily. There has always been a question with us as to whether a record could be produced that would fill all requirements, but I am firmly convinced, and I have so stated to all of our people here, that there is no good reason why we cannot make up a satisfactory record that will meet all conditions throughout the

3. 10/24/06.

J. R. Schermerhorn.

civilized globe, and it was with this end in view that we purposed meeting the competition of the Sterling Co., which will of course be followed by others as well; in fact, it seems to me, from the advertisements I have seen in some English journal recently handed to me, that the Edison-Bell, White and others are going to follow in the footsteps of the Sterling Co., so that they will not have the monopoly all to themselves. Later on we will come out with ours.

Now in regard to the amount of business that we are getting, if, as you state, we are getting 33 1/3% of the record business, we are perfectly satisfied to continue to hold up our prices, and we feel that by so doing, producing better results than those of our competitors, giving our customers good service, meeting them half-way in all disputes, giving them the benefit of an exchange proposition and treating them liberally in every way, holding up prices and assuring them of an absolute profit under the agreement, we are bound to get their good will as against the poor business methods heretofore followed out by our competitors and which it is not necessary for me to refer to in detail here.

Furthermore, we want to keep advertising, and to this end I should be very glad to know what lines you have laid out in the way of advertising. It seems to me that we ought to be able to make some arrangement with the new people that we have taken on here to look after our advertising matter, so that they can take up and furnish all necessary data for proper representation in good magazines and periodicals throughout the British Isles. I do not know what arrangements you have made, and therefore I will do nothing until I know what course you are following; and I wish you would also arrange at the same time to see that magazines with our advertisements are forwarded to me monthly. Your Advertising Manager can no doubt secure copies and send them to me in one package. I would like to see what we are doing, and Mr. Edison is also interested

4. 10/24/06.

J. R. Schermerhorn.

sufficiently to want to see them as well, and he also wants to know what is being done on the advertising situation.

So far as reducing our price to a shilling is concerned, we have not yet reached the bridge that compels us to do so. Mr. Edison is as strong as myself in keeping to the present prices. Bear in mind this fact, that if we intend to reduce our prices, we will have to reduce them as a whole; we cannot expect one public to pay one price and another public another price. Then again, it will create a great deal of criticism on the part of our United States jobbers and dealers if we list our records at lower prices in other countries. You must also bear in mind the fact that the Spierling Co. were compelled to put out a shilling record in opposition to the Edison-Bell Co. Hunting left the Edison-Bell Co. in anger and with the full purpose of putting them out of business so far as records were concerned. In order to do this naturally he had to put a record on the market to sell at one shilling in competition with the Edison-Bell and others who were putting out a product of that character. We further see that this would naturally have something to do so far as competition is concerned with us, but nevertheless, we feel that if we are getting any such portion of the business as that indicated in your letter we are satisfied to continue to uphold prices, and we have got to be very fully convinced that a reduction is absolutely imperative before it will be made; and then, as I have stated before, it will have to be considered as a whole and not so far as any particular section is concerned. Leaving out the question of the United States entirely, naturally if the price has to be reduced in the British Isles the same price must prevail on the Continent, and it is a question in my mind as to whether Graf would consider it wise and expedient to reduce the price in Germany at the present time. This is a question, however, that I wish you would discuss with him the next time you see him.

5. 10/24/06.

J. R. Schormerhorn.

This subject was referred to at a conference had between Messrs. Edison, Marks and myself, and we impressed upon Mr. Marks particularly that we did not see why it was at all necessary at this time to reduce the price of our records to one shilling to meet the competition of our competitors. Surely you have not in mind, now that White has entered the field, that he is going to become a potent factor in the record business. The way he has commenced to do business would seem to indicate to the contrary. You know perfectly well that he never had any business system, and before he gets through I am afraid he is going to find that he is up against a pretty expensive proposition. As to other competitors, of course, the same remarks would apply. The Pathe people have been in the field for a number of years, but their business methods you are familiar with, likewise the Columbia. As to the Rex and such others as you refer to, we have never considered them a factor, so that it is not necessary for me to even mention them.

Of course for the present we do not consider it wise to reduce prices to anybody, and your suggestion of making the price 7 d. to factors and 9 d. to dealers will not be considered at this time. As to what we will do in the year 1907 must remain open for the present. Your letter, however, I will hold in front of me and later on we may decide to do something else. What we have got to do is to get out a better record, making it just as long as the Sterling product, and if we do so, naturally we are not going to reduce the price under any circumstances. What we want to do is to give them better quality, and I think that we can hold our own.

I have already written you that I shall not be able to go abroad this year, nor can I say when I will be able to leave. Mr. Edison has read over your letter most carefully and the situation was very fully discussed between us, and this communication is the substance of our

6.

10/24/06.

J. R. Schermerhorn.

decision.

Yours very truly,

WBG/IWW

President.

P.S.

There is another thing that I meant to refer to, and that is, whether we could not in some way work out a proposition whereby factors and dealers would be compelled to purchase a certain number of our records per month, based upon the number of machines that they order from us. If we do considerable good advertising, the public are naturally going to ask for our product, and if the factors and dealers want to handle the Edison phonograph it seems to me that we can work out a scheme whereby they would be compelled to purchase a certain quantity of records per month. Of course you may say that conditions over there are entirely different and that the trade would rebel against any such proposition. I wish, however, you would talk it over with Mr. Marks, who, naturally knowing more about English business methods than yourself, can give you some good advice on this particular point, and I should like to have his opinion on the subject.

NATIONAL PHONOGRAPH COMPANY.

Recd - many

Nov. 8, 1906.

E. Riehl, Esq., European Supt.,
National Phonograph Co.,
Brussels, Belgium.

Dear Sir:

Your letter of the 23rd of October came duly to hand, and I have been looking into the question of a contract for, say 300 tons of ebonite for 1907 delivery. Your experience with the material that you have received simply confirms what we find here-- that they have been sending us an inferior quality, which necessitates our working it up with other ingredients to make it come up to standard, and in some cases it has not proven what it should even after being made into records. As already written you, we cabled you on the 6th as follows:

"Ebonite on contract and in stock sufficient for next year. Make no contract."

I can only add that with the stock we have on hand at the present time and the balance due on contract, we will have sufficient ebonite to practically carry us through 1907. It will take us so long to use up what we have that if we want to make any additional contract there is plenty of time to do so. In the meantime, our experimenters are working on something different and we may get up another material that will answer our purposes better; and inasmuch as we have sufficient ebonite already contracted for to carry us through the year 1907, we cannot see our way clear to

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11/13/06 NATIONAL PHONOGRAPH COMPANY. E. Richl.

placing an additional order for 300 tons, even under the conditions named in your communication. Another thing is, that if they find that we are not inclined to take on an additional contract I think it will have the effect of materially reducing their price, even below the 70 marks. I believe they have the impression that we have got to use this material and they can about dictate the price to us. You can now let them know our position in the matter and doubtless this will bring them around. At any rate, do not make any further contract for us at present.

Yours very truly,

WEG/IWW

President.

JRS

(2)

organize under the Name of the National Phonograph Co., and this might prove detrimental to us. This seems to be the only objection, however, and I presume that your attorney can straighten this out satisfactorily. If on conferring with Mr. Schermerhorn he decides that it would be best not to have Mr. Marks go into the matter at all, all well and good. Mr. Marks, of course, is not familiar with German law to any extent, and Mr. Schermerhorn and yourself should therefore be guided by Dr. Schneider.

I should be glad to hear from you as to what decision is finally reached, and proper transfers can be made to meet all conditions. Of course we can give you full particulars of the investments which we now have at the German plant whenever you care to have same.

Yours very truly,

WHD/IWW

President.

Telegraph-Adresse:
EDISON BERLIN.

TRADE
Mark
Thomas A. Edison
M.B.H.

Phon. - Marub.

Fernsprecher:
ANT. K. 10 2891.

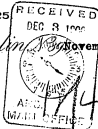
EIGENE MÄSERN:
BRANKE N.USA.
NEWYORK.
LONDON.
PARIS.
BRÜSSEL.

EDISON GESELLSCHAFT M. B. H.

EDISON PHONOGRAPHEN u. GOLDSCHWALZEN.

THOMAS A.
EDISON'S
PHONOGRAPHEN,
GOLD-SCHWALZEN,
REKORDSCHEN,
ORIGINAL-FILMS,
REKORDEN,
PRIMA-BATTERIEN,
RECHNER-MASCHINEN.

SÜDUFER 24/25



November 22nd 1906

W.E. Gilmore, Esq. President
Orange .N.J.

Dear Sir,

Please excuse if I did not write you for some time. But the law suits and the season's business have kept me busy, without offering much subject matter for correspondence with you. And in such matters which would surely interest you, I first wished to get thoroughly familiar with the details, before reporting to you. I have been in Paris and have studied conditions there. I have told Mr. Sohermerhorn what I have found there, and gave him my ideas as to how I would reform this office. He may already have written to you. Nevertheless I wish to give you hereby some facts and ideas, which on the one hand will acquaint you with the ^{past} history of our French business and the causes which brought about the results you know, and on the other hand, I hope they will give such confidence in the possibilities of the French business, as you naturally could not have had in the past.

I have read over the correspondence between our French company and our customers from the beginning of our business up to the present. I have also looked into the other departments and made inquiries about what has been and is being done. I found the

W.E.Gilmore, Esq.

business in a deplorable condition, worse than I imagined I should find it. From all appearances it seems, there has never been a plan underlying the work done there. The size, location and arrangement of the offices and several warehouses prove this assertion. It also appears that the people at the head were utterly incompetent, waited till the business forced them to work, and then they relieved themselves of the work somehow, irrespective what the result will be.

From the letters of our customers I learned that there is no national prejudice against our goods. On the contrary, the dealers like our machines and records, they acknowledge the superiority of our records over all other makes. Nevertheless the correspondence shows a continued dissatisfaction on the part of our customers owing to the unsatisfactory service and treatment they receive.

Mr. Galloway was not able to remedy the ills of the offices. And I am sure he could never be able to remedy same. He has no sufficient knowledge of our business, and consequently lacks the confidence which he would need. I also believe he has not so much extraordinary energy, application and patience which the cure of the French business would require. This is insofar somewhat discouraging to me, as the French office requires a change in methods nearly in everything, beginning at the smallest details. By this I mean to say, that it would not have much purpose to simply give him general instructions and informations which if carried out should lead to the result we want, but it

W.E.Gilmore, Esq.

means that I shall have to undertake the organisation of the office in all departments and details. When this is done and the wheels of the business run smoothly, I believe he will be quite capable to keep them oiled and running. At present he quite overwhelmed by the many little difficulties which present themselves daily. I am giving you this information strictly in confidence, since you see from the above that I do not contemplate a change there. I mean to keep Mr.Galloway when I have taken general charge of the business. What I intend is to take the organisation of his office upon myself, select with his assistance and approval competent people to surround him, and this being done, I personally feel certain that Paris will show better results at the end of 1907. I cannot, of course, promise too much, as it would be useless to make estimates on the time necessary to secure results. But I can give you the guarantee that 3 months from now the French office will be on the road to improvement.

In the first place it will be necessary to do away with the several premises which we have rented in different quarters within and without Paris. We have at present an office in Rue du Quatre-Septembre, two machine stock rooms near the fortifications, one machine stock room and repair shop at our factory at ^{a second stock room near the factory and the Recording Dept. in the Grand} Levallois-Perret, ~~near the Exchange.~~ Mr.Leveque the head stock clerk thrones at the factory and moves between there and the record stock room. Mr.Galloway moves between the office, the factory, the record stock room, the machine stock room and the record department; all located from 15 to 60 minutes apart.

W.E.Gilmore, Esq.

Mr. Leveque realises that he is under instructions from, and is paid by, the Manager of the Compagnie Francaise, but he also realises that if mistakes are made he must not be reprimanded by the Manager of the French Company, for he ^{is} under obligations to Mr. Riehl and Mr. Marks or Mr. Schermerhorn of the National Phonograph Co. The recording department is also responsible to the Manager of the French Company, but it seems that they do not always hold themselves obliged to carry out the demands of the Manager of the French Company. There is also an idea of their being independent, which idea may have been conveyed into their heads by being repeatedly told that for technical results and in their technical work only Mr. Hayes has something to say. This is perfectly right, but unnecessary to tell them, because no Manager would be silly enough to tell the recording men, how deep to cut the records, what needle or what diaphragm to use, or anything similar. If they are all told they are responsible to someone else, they soon enlarge their independence with the result that the little amount of work done, is achieved only with a good deal of friction, stifling the manager's ambition and capacity to work etc. etc. We would have exactly the same conditions here, if I had not the various departments under my hand, and if I had not crushed the first faint attempt made in the direction above indicated. Now with a little diplomacy everything goes well in Berlin, ^{no} unnecessary expenditures are made in ^{the} department, and I see no reason why the same conditions should not prevail in Paris. I have told this Mr. Schermerhorn and he will see that it is clearly understood, that all these people are directly responsible to the Manager of the French office.

W.E.Gilmore, Esq.

In the past it seems that we have been robbed right and left. Most people seem to have made a lot of money outside what they earned. ^{But} Rummel it seems got a ~~make~~ off from every advertising order given. He must have made from 2-3000 Francs last year. It would lead too far to enumerate all these things and I cannot exhaust all details which I found, but to show you how business is handled I will give you two examples:

1) A customer complains that for a small shipment of about 16 records he has to pay the exorbitant freight of Frs.4.50 and in a letter to us he considers the charge too high. The Compagnie Francaise on receipt of this letter communicates with the shipping department. The shipping department simply asserts that the charge is justified, the shipment was made in the proper way, the customer's complaint is unfounded. As soon as I read this correspondence I went to find out the truth. I found out shipping conditions with the result that I determined that this shipment could have been made at a freight or postal charge of Frs.1.70, which is Frs.2.80 less than the customer had actually to pay.

2) For shipping small quantities of records by parcel post, the shipping department employs small cases of two sizes, one which costs Frs.3.- and the other Frs.0.90 each. This appeared to me somewhat high as compared with the prices we pay in Berlin, and I ordered two samples of those cases to be sent from the shipping department to the Compagnie Francaise at Paris. Thereupon I wrote for quotations to 3 firms, and the same cases for which during these past years we had regularly paid Fr.1.- and

W.E. Gilmore, Esq.

Frs.0,90 respectively were offered to us for Frs.0,50 and Frs.0,40 respectively. So we have up to now practically paid for our packing material twice as much as it actually costs.

Similar conditons prevail all around. and it will simply mean that all departments must undergo a complete reform. In order to be in a position to satisfactorily handle the business, it is imperative that all departments should be brought under one roof. I have looked for suitable premises and I have found a number of them ranking in price from Frs.12-16000 a year. This is about the same or a little above the total rent which we pay for the several premises we occupy at present. I have not got the figures at hand just now, but as soon as I come to Paris, I will give you a list of the rent we pay now and of the dates when our leases expire. If we give notice in time, we can by June 1907 get out of all our different places, the recording department and office at 31, Rue du Quatre-Septembre excepted. For these two we have longer leases. This however should not prevent us from moving into new quarters. We might possibly find someone who will rent these places from us. The question now is whether the place where the different departments are to be concentrated should be within or without the fortifications of Paris. The first would be preferable, if we can avoid paying the Octroi by which our goods are taxed when going into Paris. If we can not avoid this, I should advise renting premises outside the fortifications.

To determine whether the octroi can be avoided, I have written a letter to the Director of the Octroi, and during my

Edison-Gesellschaft m. b. H.
BERLIN N.

cont.7

W.E.Gilmore, Esq.

absence from Paris Mr. Galloway received a reply to the effect that it would be possible to make certain arrangements which would relieve us from paying the octroi. Wholly apart from this question I believe that the Octroi has been unjustly imposed on our goods. I studied the tariff of the octroi and I came to the conclusion that our goods should enter Paris free. I go to Paris to-morrow to meet Mr. Schermerhorn there and we shall then decide whether we shall take any steps to prove to the authorities that the octroi has been unjustly imposed on our goods, or whether we shall make certain arrangements with the authorities by which we are relieved from paying the octroi on such goods which are again shipped out of Paris.

From the conversation I had with Mr. Schermerhorn, I see that he is intending to stay in London all the winter. This will give me a chance to spend several months in Paris to organise the office. I intend to spend about 8 to 10 days every month in Berlin.

I trust that you will see your way to authorise us to carry out our plan, that is to say, rent a place large enough to bring all departments under one roof. This will enable the French Manager to properly look after the business without internal friction and loss of time.

From all I have seen, I became convinced that a profitable business can be done in France, and there is no reason why we should not do it. The reorganisation of the office will cost us some more money, but it will come back to us.

Th.G/Sch.Dikt.22.

Very truly yours,

Thomas Edison

Phon - manu.

Compagnie Française du Phonographe Edison

Société Anonyme au Capital de 100.000 Francs

PHONOGRAPHES
DISQUES MOULÉS
PILULES AUTHENTIQUES
MINÉROSCOPIES PROJECTEURS

USINES A:
PARIS, BERLIN,
ORANGE E. U. A.,
VIENNE, BRUXELLES.



ADRESSE TÉLÉGR.: EDIPHON-PARIS
CODE "LIEBER"

TÉLÉPHONE: 277-89

31, Rue du Quatre-Septembre, 31

Paris, le Nov. 28th 1906

Gr.V.

Berlin

W.E. Gilmore, Esq.,
C/O National Phonograph Co.
ORANGE, N.J.

12/20/06

Dear Sir:- I beg to acknowledge receipt of your favor of 12th inst. having reference to the matter of registering the Berlin factory.

I am glad to hear that the suggestion marked 1) appeals to you most and as I shall be in Berlin in a few days; I shall determine the details which we require in order to effect the transfer.

It is of course understood that there is no change otherwise than in the form which we should agree upon. The management, the superintendance, the reporting system &/c. as well as the book-keeping are not at all affected by the new arrangement. It will only be necessary that besides the books kept ~~at~~ the factory and by the sales department, a new ledger be introduced containing the figures of the ledgers of both departments.

I have conversed with Mr. Schermerhorn on this subject, but the details I shall determine in Berlin after having had a conference with Dr. Schneider.

As to the protection of the name "National Phonograph Co." I

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W.E.Gilmore, Esq., Orange.

would say that in-as-much as we have not registered this name, there was no protection in the past. To protect the name I would suggest to start a company by 2 or 3 individuals of our firm under the name of National Phonograph Co. The purpose of the new company may be to take care of the recording department, arranging for the engagement of the Artists, disbursing the expenses of the Recording Department &c. The new company to transact that business for a certain percentage on the money paid out to Artists. The new company can be located in our office and a sign be fixed at the door. The shares, profits and interests in the company can by agreement be transferred to you.

This is only a suggestion which can be carried out in different ways and with little expense.

As soon as I go to Berlin I will write you and Mr. Schermerhorn more fully on the subject and shall then await your final decision.

Yours very truly



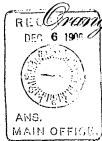
Ann: nil

Legal Department.

*Thomas A. Edison,
National Phonograph Co.
Edison Manufacturing Co.
Bates Manufacturing Co.
Edison Storage Battery Co.*

*Telephone 300, Orange.
Collect calls "Edison Orange."*

*Frank L. Dyer, Counsel
Deputy Solicitor-General*



Dec. 5, 1906.

Wm. E. Gilmore, Esq.,

Orange, N.J.

Dear Sir:-

Regarding the attached correspondence, I find that Messrs. Marks & Clerk have not understood the situation. They were sending each week, three complete sets of British patents, one to you, one to Mr. Edison, and one to myself. For the first week or two, Mr. Edison looked over his set as they came in and sent them to me. After that I found that he was not paying any attention to them, so it seemed a waste of money to have these patents come to him, and with his approval I wrote Messrs. Marks & Clark to discontinue sending the set to Mr. Edison. This did not interfere with their sending the patents weekly to me, and I, of course, did not intend to interfere with your own set. They have simply misunderstood the situation.

Yours very truly,

Frank L. Dyer

FLD/ARK.

Enc.

Dec. 31, 1906.

Thomas Graf, Esq., Managing Director,
Edison Gesellschaft, m.b.H.,
Berlin, Germany.

Dear Sir:

I duly received your letter of the 6th, enclosing copy of letter written Mr. Schermerhorn under same date, ~~which was forwarded to the factory on the 10th.~~

I enclose herewith copy of letter that I have just written Mr. Schermerhorn on the German situation. I do not see any reason why we should carry two sets of books, one for the factory and one for the selling branch. It is our intention to turn over the factory to the Edison Gesellschaft at the dead cost as shown by our books at the closing this date. Of course if there is any objection to the amount we can easily adjust this; but we do not want to come in conflict with the German Government. We want to make an absolute bona fide sale to the Edison Gesellschaft and carry the business as one institution, and if there are any losses in one plant as against the other, the Edison Gesellschaft will have to stand it. We give them the benefit on the product as to cost and they reap the benefit as a whole. I am afraid that it would complicate matters if we attempted to operate two distinct branches, and unless you have some good reason to the contrary, or Dr. Schneider has some reason that I cannot see at the present time, I think the cleanest and best way is to make the transfer

2. 12/31/06.

Thomas Graf.

absolute and let the Edison Gesellschaft own the manufacturing plant and the selling business absolutely.

So far as the National Phonograph Co. is concerned, as I have already written you, all I want to do is to get this company organized there so that nobody can come in and use our name in the same line of business. They can, of course, be organized as suggested by you, and the Edison Gesellschaft can advance them such monies as they require for the purpose of making original records by talent, orchestras, bands, etc., etc., and then we can agree to pay this company a certain percentage over and above the amount, to take care of their expenses. It seems to me this is the simplest way out of it. In addition, they can, of course, look after the patent interests of the National Phonograph Co., although this is something that the Edison Gesellschaft is more interested in and you will look after it to far better advantage.

I note that there are two companies using names similar, - the "Internationale Phonograph Co." and "National Phonogramm Gesellschaft, m.b.H." The latter seems to be very conflicting, and if they should continue to do business it might be that mail intended for us would get into their hands and vice versa, and this might prove detrimental. As we do not intend to use the name of the National Phonograph Co. generally, I do not see that this will have much effect so far as we are concerned, as of course the general business will be carried on by the Edison Gesellschaft. On the other hand, if competing concerns are operated by individuals and they have no right to carry on their business as a company under the German law, I presume we will have no trouble in stopping them immediately we do organize legitimately. I think it wise that you look further into this to see what, if anything,

3. 12/31/06.

Thomas Graf.

can be done.

Now so far as the price of our manufacturing plant is concerned, I think it would be far better to wait until you have made the inventory as of this date, when we will agree on a price and charge same over to the Edison Gesellschaft, and it will stand on our books as an obligation pure and simple, to be liquidated as may be determined later. I do not see how we are going to give you credit for the amount until same has been liquidated, and of course, if the accounts are carried correctly on the books of the Edison Gesellschaft, there is no reason why the increased profits that will accrue to the Edison Gesellschaft from the manufacturing end of the business as a whole should not very soon liquidate this indebtedness.

I have instructed Mr. Wentee, our Secretary and General Auditor, to communicate direct with Mr. Buehler as to the proper method of handling the books, which I presume will be entirely satisfactory to you.

Yours very truly,

WEG/IWW

WEG

President.

**National Phonograph Company Records
Correspondence, Domestic (1907)**

This folder contains correspondence and other documents relating to the commercial exploitation of phonographs in the United States. Most of the items are letters to and from William E. Gilmore, president of NPCo. Other correspondents include Carl H. Wilson, manager of sales; Leonard C. McChesney, manager of the Advertising Department; Nelson C. Durand, manager of the Commercial Department; F. K. Dolbeer, manager of the Credit Department; and attorney Frank L. Dyer. Included are letters pertaining to the manufacture, distribution, and sale of phonographs and cylinder records, as well as correspondence about litigation, patents, and other legal matters. Among the documents for 1907 are letters regarding technical changes in phonographs and records, the organization of business on the West Coast and in Chicago, the activities of the Advertising Department, and its relations with the Essex Press—a printing company controlled by Gilmore. Also included are a report prepared for Gilmore on the patents obtained by NPCo employees during 1906; reports on the progress of dictaphone installation and sales; and a list of dealers enrolled by NPCo jobbers. At the end of the folder is an undated letter from Edison to Gilmore concerning the development of longer-playing records.

Approximately 15 percent of the documents have been selected. Among the items not selected are documents pertaining to ongoing litigation with the New York Phonograph Co. and other parties and to the business of individual dealers and jobbers.

Mr. W. R. Gilmore.

New York City,

January 28th, 1907

REPORT OF JOBBERS & RETAIL DEALERS AGREEMENTS

| DATE | Jobbers Agreements | Retail Dealers Direct | Retail Dealers Through Jobbers | Total Retail Dealers | Retail Dealers Out of Business | New Dealers |
|---------|-----------------------|--------------------------|-----------------------------------|-------------------------|-----------------------------------|-------------|
| Dec. 29 | 147 | 1773 | 7711 | 9484 | | 36 |
| Jan. 5 | 148 | 1783 | 7758 | 9541 | | 57 |
| 12 | 148 | 1781 | 7807 | 9588 | | 47 |
| 19 | 148 | 1788 | 7909 | 9697 | | 109 |
| 26 | 148 | 1793 | 7940 | 9733 | | 36 |



AKD.

C. WILSON.

W. E. GILMORE,
PRESIDENT AND GENERAL MANAGER.
J. F. SCHEMMEHORN,
ASSISTANT GENERAL MANAGER.

Phon. -
advertising

J. F. RANDOLPH,
TREASURER.
A. WESTICE,
SECRETARY.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

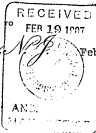
31 UNION SQUARE, NEW YORK.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
VENEZIA,
MEXICO CITY.

TRADE
MARK
Thomas A. Edison
MARK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE DETAILS.

ADDRESS YOUR REPLY TO



CABLE ADDRESS
"ZYMOTIC, NEW YORK"

Feb. 18, 1907

Mr. W. E. Gilmore, President,
Orange, N. J.

Dear Sir:

Your memorandum of the 15th with reference to Pearson's Magazine and Leslie's Weekly makes it necessary to write another of those letters that "cannot be read in a minute," in order to give you a better understanding of our relations with magazines and other publications.

When we began with Calkins & Holden last summer, it was decided that we would get the most ~~good~~ of our expenditure by deciding in advance which of the many publications seemed to be the best suited to Phonograph advertising; reduce the number to a reasonable limit, and make up a schedule for an entire year, using each publication as many times as our appropriation would permit and as conditions made it advisable. We decided that we could spend \$50,000 for advertising of this character. We, therefore, made up a schedule spending this amount. Attached is a summary of this schedule. It shows the publications, the number of times we decided to appear in each, and the cost. Circumstances made it necessary to change this materially since we began to use it. We have dropped some publications entirely; have added others; have increased the insertions in the weekly papers, and rates have been increased in some of them. Its only use is to show to you how limited after all is an appropriation of \$50,000 when an attempt is made to cover available general mediums.

Now, it is a generally accepted belief among advertising men of experience that the nearer an advertiser can get to having consecutive insertions in a publication, the greater will be the results from that particular publication. You will note that in this schedule, the greatest number of insertions that we get in one year is nine. In the weeklies like Collier's and Saturday Evening Post, our schedule provided for six insertions in the former and eight in the latter. We have since changed this to appear at least once a month. In no case, therefore, do we get the maximum benefits from any publication. We get more when we can appear nine months out of twelve than we do when we can only appear in alternate months. It is evident, therefore, that we cannot add publications like Leslie's Weekly, Puck, Judge and others in which you have shown an interest in the past, unless we still further weaken our present campaign or add to the appropriation. This situation is also true of many other desirable mediums. Should we desire to spend more

Mr. Gilmore-2-

Feb. 18, 1907.

money, it is a question whether we should not take more insertions in the publications we are using regularly than to add new ones. It is also a question whether our present list of publications is not too large. I believe we would get more out of our expenditure, if we reduced the number a third and increased the insertions in the others. Still this is a rather radical thing to do and I would not care to recommend it without a very careful discussion.

I am only writing this letter to explain why we do not add more mediums to our present list. I will have Pearson's Magazine sent you regularly because we have just given them a two page order for March and expect to continue with them with some regularity, this magazine being one of the changes in our schedule. I do not see how we can ask to have Leslie's sent to you unless we advertise with them. Leslie's is one of the mediums occupying a doubtful position in an advertising sense and no one seems to know whether it has value or not. It is one of the publications that have been before the public for many years, but would seem to be losing ground because of the success of the more aggressive publications. At your request about two years ago we used Leslie's, Puck and Judge for a time but the returns received from them in inquiries seem to bear out the general impression of advertising men and we discontinued using them.

You might direct that enough additional money be spent to include these and any other publications, but I would point out that our policy at present is to run the double advertisement wherever we appear and this makes it necessary to spend twice as much as we ordinarily did. The schedule which we laid out last summer will be exceeded by at least \$10,000 before the year is up. This is because we have used an extra page in colors in Collier's and have used space in Century, Scribner's, Harper's, Sunset and the Pacific Monthly.

Very truly yours,

NATIONAL PHONOGRAPH CO.,

Advertising Department,

L. P. McHenry
Manager

[ENCLOSURE]

NATIONAL PHOTODUPLICATION COMPANY
 SCHEDULE OF MAGAZINE ADVERTISING, 1906-1907.

| Publications | Total Space | Cost |
|-----------------------|---|-----------------|
| Ladies' Home Journal | 1/4 page 3 times | \$3,000.00 |
| Anso. Sunday Mors. | 1/4 page 9 times | 4,485.00 |
| Argosy & All-Story | 1 page 8 times | 3,200.00 |
| Smith's Magazine) | | |
| Ainslee's) | 1 page 6 times | 601.38 |
| Popular) | | 1,202.88 |
| | | 721.74 |
| Four Track News | 1 page 6 times | 504.90 |
| National Magazine | 1 page 5 times | 841.50 |
| Red Book | 1 page 8 times | 1,787.60 |
| World To-Day | 1 page 5 times | 525.50 |
| Munsey's | 1 page 8 times | 4,000.00 |
| American Illus. | 1 page 8 times | 1,995.84 |
| Everybody's | 1 page 9 times | 4,207.50 |
| McClure's | 1 page 9 times | 3,726.00 |
| Review of Reviews | 1 page 6 times | 1,336.50 |
| Cosmopolitan | 1 page 6 times | 2,128.92 |
| Success | 1 page 6 times | 2,661.12 |
| Collier's Weekly | (1/2 page 1 time) (1/4 page 5 times) | 4,752.00 |
| Saturday Evening Post | (1/2 page 1 time) (1/4 page 7 times) | 2,050.00 |
| Good Housekeeping | 1 page 6 times | 1,188.00 |
| The Delineator | 200 lines 3 times | <u>3,000.00</u> |
| | | 49,886.78 |

March 8-1907.

MR. MC CHERNRY.....

I am attaching hereto, a communication from our Mr. Weber addressed to Mr. Wilson, on the subject matter of phonograph springs, which are being purchased by a number of jobbers and dealers from outside sources.

In conversation with Mr. Gilmore this morning he suggests that you take this up very strongly in the "Phonograph Monthly" and if the desired results cannot be obtained in this way, it will be necessary to send a letter to the entire Trade cautioning them about buying springs other than those we are now using in goods of our manufacture.

Kindly give this your attention.

MAR 8 1907

IVR

F. K. DOLE



[ENCLOSURE]

W. E. SILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHREIBERSTADT,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.
A. WESTE,
SECRETARY.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.

TRADE
Thomas A. Edison
MARK.

LONDON.
PARIS.
BERLIN.
BRUSSELS.
SYDNEY.
MEXICO CITY.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND VICTOR HORN METHOD.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

FW/DJM

Orange, N. J. Feb. 23, 1907



Mr. C. H. Wilson,
Sales Manager,
National Phonograph Co.,
New York Office.

Dear Sir:-

I have just received a letter from our Mr. M. B. Romaine, who is at the present time in Detroit, Mich., looking into some complaints made by the American Phonograph Co.

Mr. Romaine finds that the dealers are purchasing main springs of inferior quality with the result that the springs do not operate satisfactorily, and especially are not strong enough to run the required number of records. In several instances Mr. Romaine has been somewhat puzzled to get machines to operate, and he finally discovered that the main spring had been put into the machine by the dealer, or jobber; and upon investigation he found that these springs were soft and not of the same quality that we furnish with our machines. Do you not think it advisable to caution the Trade not to purchase main springs from every Tom, Dick and Harry because they are cheap, but to send their orders to us so as to insure their getting springs of standard quality.

Yours very truly,

Peter J. Scher
Gen. Supt.

MEMORANDUM

COMMERCIAL DEPARTMENT

NATIONAL PHONOGRAPH CO.

MAIN OFFICE, ORANGE, N. J.
 BOSTON OFFICE, 702 N. O. SQUARE BUILDING
 BUFFALO OFFICE, 850 ELLICOTT SQUARE
 CHICAGO OFFICE, 304 WARREN AVE.
 NEW YORK OFFICE, 31 UNION SQUARE
 PITTSBURG OFFICE, ROOMS 303-304 MACHESNEY BLDG.
 PHILADELPHIA OFFICE, 1117 NORTH-AMERICAN BLDG.

Orange, March 9th, 1907.

Mr. W. E. Gilmore, Pres't.,
 Dear Sir:-

Attached please find statement of the 8th month business of this department, commencing the first month in which we kept our expenses, namely:- July 1906 and ending on March 1st, the end of the fiscal year.

You will notice the total in which we have put out \$154942.50 worth of goods, on which we have realized \$107253.27, representing an efficiency of 69.2-10% for the entire organization, which means that practically 7 out of 10 people who have had our goods on trial have kept them.

Also please note that our expenses have been \$45733.57 and that we have thus been able to have our expenses in proportion to our sales, 42,6-10%.

We have grown from an organization of five people at the N. Y. office in July 1906 to a total of 79 people in nine districts on March 1st, 1907.

Our shop orders are now for 125 machines per week, or 500 per month, all of which we are selling or placing in various parts of the United States for a stock in the new offices which we are continually starting.

It is a pleasure for the writer to state that the outlook for our business is very good. Our Main Office is giving us the greatest amount of support, including the departments under Mr. Westee and Mr. Dolbear. The shop have woke up to the necessity of giving the Commercial Dept. the proper attention and the greatest praise is due Mr. P. Weber and Mr. E. L. Aiken for their interest in the machines, and their thoughtful attention to our requirements during these early months when oft times we have needed a great deal of advice.

MEMORANDUM

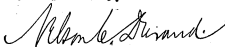
COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.

MAIN OFFICE, ORANGE, N. J.
BOSTON OFFICE, 702 P. O. SQUARE BUILDING
BUFFALO OFFICE, 838 ELLICOTT SQUARE
CHICAGO OFFICE, 304 WABASH AVE.
NEW YORK OFFICE, 31 UNION SQUARE
PITTSBURG OFFICE, ROOMS 303-304 WACHENNEY BLDG.
PHILADELPHIA OFFICE, 1117 NORTH AMERICAN BLDG.

Sheet #2--W. E. G.--Mar. 9, '07.

we remain Trusting that you will be encouraged with these figures,

Yours very respectfully,



Mgr.

N. C. D.

[ENCLOSURE]

STATEMENT OF
EIGHT MONTHS BUSINESS--(JULY 1906 to FEB. 1907.)
COMMERCIAL DEPT., NATIONAL PHONOGRAPH CO.

| <u>DISTRICT.</u> | <u>AMOUNT OF OUTFITS PLACED ON TRIAL.</u> | <u>AMOUNT OF TRIALS CLOSED AND INVOICED.</u> | <u>EFFICIENCY PER CENT INVOICES TO TRIALS.</u> | <u>OFFICE EXPENSES.</u> | <u>(ECONOMY PER CENT), EXPENSES TO SALES.</u> |
|------------------|---|--|--|-------------------------|---|
| N. Y. | 36695.83 | 25960.88 | 70.4 | 13556.98 | 52.4 |
| CHICAGO. | 37491.94 | 22236.13 | 59.3 | 11097.49 | 49.8 |
| PITTSBURG. | 21581.15 | 14324.15 | 66.4 | 4872.85 | 34.0 |
| BUFFALO. | 15165.52 | 11236.78 | 74.1 | 3195.39 | 28.4 |
| BOSTON. | 10631.20 | 8015.93 | 74.0 | 3991.40 | 49.8 |
| PHILADELPHIA. | 9224.15 | 5500.04 | 59.6 | 4581.19 | 83.3 |
| CINCINNATI. | 2445.80 | 2455.80 | 77.1 | 753.07 | 30.6 |
| NEWARK. | 2012.37 | 1629.27 | 80.9 | 681.14 | 41.9 |
| ATLANTA. | 877.80 | 460.55 | 46.9 | 244.61 | 52.4 |
| MAIN OFFICE. | <u>18616.68</u> | <u>15523.74</u> | <u>83.4</u> | <u>2756.45</u> | <u>18.0</u> |
| Total----- | <u>154942.50</u> | <u>107253.27</u> | <u>69.2</u> | <u>49733.57</u> | <u>42.6</u> |

[ENCLOSURE]

COMPARATIVE STATEMENT.

NINE DISTRICTS FOR ECONOMY AND EFFICIENCY.

Expenses.
ECONOMY -Sales.

- 1 Buffalo.
- 2 Cincinnati.
- 3 Pittsburg.
- 4 Newark.

Above average economy.

Below average economy.

- 5 Boston.
- 6 Chicago.
- 7 Atlanta.
- 8 New York.
- 9 Philadelphia.

Sales.
EFFICIENCY- Sales & Returns.

- 1 Newark.
- 2 Cincinnati.
- 3 Pittsburg.
- 5 New York.

Above average efficiency.

Below average efficiency.

- 6 Pittsburg.
- 7 Philadelphia.
- 8 Chicago.
- 9 Atlanta.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHERMERHORN,
ASSISTANT GENERAL MANAGER.

Phon. - Complaints

J. E. RANDOLPH,
TREASURER.
A. W. BEEBEE,
SECRETARY.

TRADE
Thomas A. Edison
MARK.

NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.
31 UNION SQUARE, NEW YORK.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND SECTION THESE OFFICES.

ADDRESS YOUR



CABLE ADDRESS
"ZYMOTIC, NEW YORK"

March 11, 1907.

~~Mr. W. E. Gilmore, President,
Orange, N. J.~~

Mr. W. E. Gilmore, President,
Orange, N. J.

Dear Sir:

I have written for the Phonograph Monthly an article on the subject of inferior parts that I think will cover the case. I do not know what steps are being taken to correct this evil, but it seems to me that we can correct it quickly if we get after the people who put inferior parts into our machines. It should not have been difficult for Mr. Romaine to have determined through whose hands the machines were passed that he wrote about and furnish us with such information as would have made it possible to write a strong letter to the offenders. If Jobbers and Dealers are making a practise of substituting parts, they are doing something that injures the Edison reputation and they could not find fault if we treated them harshly.

Very truly yours,

L. C. McSheehy
Manager Advertising Department.

W. E. SILMORE,
PRESIDENT & GENERAL MANAGER,
J. P. SCHERER & SONS,
ASSISTANT GENERAL MANAGER.

Graphophone
ANDRUP,
TREASURER,
A. WESTEE,
SECRETARY.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

TRADE
Thomas A. Edison
MARK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

Orange, N. J.

March 25, 1907.

Mr. Thomas A. Edison,
Fort Myers, Florida.

*Yes. There will be an
ending*

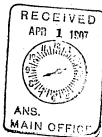
My dear Mr. Edison:

As you will see by the attached, the American Graphophone Co. are again in the market for money, and they want \$500,000.00 more, for which they propose issuing five-year 6% notes. The circular explains itself, and I send it to you simply for your information. It seems to me that this has got to stop some time or other. When you are through with the paper, please return it to me in the envelope also enclosed.

Yours very truly,

Enc-D

W. E. Silmore
W. E. Silmore
MS



[ATTACHMENT]

EXECUTIVE OFFICES
AMERICAN GRAPHOPHONE COMPANY,
COLUMBIA PHONOGRAPH COMPANY,
SOLE SALES AGENT. *Graphophone*

EDWARD D. EASTON,
PRESIDENT & GENERAL MANAGER.
WM. E. BOND,
VICE-PRESIDENT.
GEO. W. LYLE,
DIRECTOR.
HERBERT A. BUDLONG,
EXECUTIVE OFFICER.
CHARLES W. COX,
TREASURER.
E. O. ROCKWOOD,
SECRETARY & ASST. TREAS.

MARK T. COX
GEO. W. LYLE
ANDREW DEVINE
F. J. WARBURTON
EDWARD D. EASTON
WM. E. BOND
WM. M. JOHNSON

DIRECTORS.
THOS. R. WHITE, JR.
PHILIP MAURO
JOHN J. PHELPS
EDWARD V. MURPHY
PAUL H. GROMELIN
PHILIP T. DODGE
E. O. ROCKWOOD
TIMOTHY D. MERWIN

ORACLE BRIDGE, "GOLFING, NEW YORK."

OFFICE OF THE PRESIDENT.

TRIBUNE BUILDING.

154 NASSAU STREET, NEW YORK CITY.

February 28, 1907.

TO THE STOCKHOLDERS:—

For the purpose of providing additional capital, made advisable by the large increase of business, the Board of Directors, at a meeting held February 25th, 1907, unanimously resolved that there be offered to stockholders of record March 15th, 1907, the privilege of subscribing at 95 to an issue of five year 6% Convertible Coupon Notes to the extent of 11% of their stockholdings.

Total authorized issue, \$500,000. Denominations, \$100, \$500 and \$1,000.

Principal due April 1st, 1912. Interest coupons payable October 1st and April 1st.

These coupon notes will be convertible at par into the common capital stock of the company at 55% of its par value at the option of the holder at any time before April 1st, 1910; they will be redeemable at the option of the company after April 1st, 1910, at par and interest, upon sixty days' notice, on any interest date before maturity. Fractions of stock or notes resulting from conversion will be adjusted in cash.

Subscriptions may be paid at any time before April 1st, 1907, but those who desire may divide their payments into four instalments as follows:

- 25% on or before April 1st, 1907.
- 25% on June 1st, 1907.
- 25% on August 1st, 1907.
- 25% on September 30th, 1907.

in which case interest will be adjusted at the rate of 6% per annum.

Stockholders who are entitled to subscribe for less than \$100 may subscribe to the extent of \$100.

In addition to the regular subscriptions, over-subscriptions will be received on the annexed form. Over-subscriptions or regular subscriptions remaining untaken will be allotted or disposed of at the discretion of the Board or Executive Committee.

Our stock books show that you are entitled to subscribe for \$ 100—
for which your remittance at 95 amounting to \$ 95—, may be made by check or money order to the order of the American Graphophone Co., Tribune Building, No. 154 Nassau St., New York City.

Yours truly,

EDWARD D. EASTON,
President.

Geo P. Buchanan
New York City

[ATTACHMENT]

Over-Subscription.

_____ 1907.

I hereby subscribe for \$_____ of the Five Year 6 per cent. Convertible Coupon
Notes (Series of 1907) of the AMERICAN GRAPHOPHONE COMPANY at 95 per cent. in accordance with
circular letter to stockholders dated February 28, 1907, for which I agree to pay on receipt of notice of allotment.

Address _____

[ATTACHMENT]

We must be awful
hard up.
I think the end will come
before many years. J.P.A.

RECEIVED
APR 19 1907
U.S. DEPARTMENT OF AGRICULTURE
BUREAU OF PLANT INDUSTRY
WASHINGTON, D.C.
MAIL OFFICE

NATIONAL PHONOGRAPH COMPANY

March 26, 1907.

Nelson C. Durand, Esq.,
Manager Commercial Dept.

Dear Sir:

I refer the enclosed letter from Hibbard to you for proper attention and reply.

The question of furnishing Hibbard with a draughtsman will have to be left entirely to Mr. Weber to decide; in fact, when Mr. Hibbard reports here on or about April 1st he will report to Mr. Weber, who will assign him proper quarters and do all that is necessary in connection with the getting out of a new type machine.

So far as his household effects are concerned, we will pay the freight on these goods from Chicago to Orange.

Relative to salary, this is a question that will have to be decided later and can wait until my return.

Yours very truly,

WEG/IWW

President.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. F. SCHEERMEYER, JR.,
ASSISTANT GENERAL MANAGER.

Phon. - Sales

J. F. RANDOLPH,
TREASURER,
A. WESTICE,
SECRETARY.



NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND NEITHER EXECUTIVE.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

F. K. D.

New York;

MARCH 28-1907.

Mr. Wm. R. Gilmore,
The Homestead,
Hot Springs, Va.

Dear Sir:--

Referring to our conversation of yesterday in relation to Babson Brothers matter, would advise that I immediately wired Mr. Babson in accordance with your suggestion, copy of telegram being enclosed for your information. Shortly after receipt of this telegram, Mr. Babson wired that he would be in New York on Thursday the 28th, and he has been with us ever since the arrival of the Limited, and has just left for Chicago. He did not bring a detailed financial statement with him, but supplied me with figures as shown by enclosed statement, the original of which Mr. Babson signed, and is now in my files at this office. In addition to this, he assured me that the March account which up to yesterday amounted to \$69,119.03, would be paid prior to the date on which we purpose making shipment of the large order on which he requested special terms. Taking into consideration the large amount of their available assets, as also the fact that the March purchases are to be discounted, I advised him that we would make shipment of the train-load of merchandise on the terms he requested; that is, one third of the merchandise contained in large order is to be paid on May 10th, together with all goods regularly ordered and billed during the month of April; On June 10th we are to receive another third in cash to apply on this order, together with remittance covering all goods ordered and billed during the month of May; On July 10th we are to receive balance due on original order, and in addition, an amount sufficient to cover all goods ordered and billed during the month of June. It is further understood that we are not to be requested to accept any additional Notes other than those we are now holding, until these transactions have been settled in full. We are now holding three Notes for \$10,000. each, one of which is to be renewed on April 10th, maturing six months from that date, and the other two are renewals of original Notes which matured Feb. 10th and March 10th respectively, and which are now payable six months from those dates.

You can readily understand that with this large stock of merchandise in their new building, their purchases during May and June will be considerably curtailed, and that by approving these terms on the large order, we will not be increasing their line of credit to any great extent; in fact, it should not at any one time exceed \$175,000. Taking into consideration this large order which amounts to approximately \$100,000., three Notes for \$10,000. each, and their regular monthly purchases which in all probability will not exceed from \$45,000. to \$50,000.

In conversation with Mr. Babson I suggested to him that if they were not obtaining any special favors from their bank by holding their deposits there until the 10th of the month, they might feel inclined to forward two checks to us each month; or, in other words, that they send us a check covering a portion of their purchases on or about the 25th of the month, and on the 10th of the following month forward check for balance due on monthly account.

They are now sending out about 250 Standard Outfits per day, and in addition to this, approximately 250 record orders, which run anywhere from 12 to 48 records each, and out of these shipments they are receiving about 15 returned outfits, so that their sales are showing a very material increase over what they were a month ago when I was in Chicago.

They have contracted for approximately \$20,000. in advertising during the month of April, and a like amount for May, making the total expenditure for these two months \$40,000. During the Summer months they will reduce this very considerably, as they cannot obtain results at that time from the Farmers, with whom they are doing their principal business.

Their wholesale business is also increasing, and their sales during the month of March will amount to approximately \$28,000. They now figure on being in their new building about April 15th, and they will probably vacate our floor at 304 Wabash Avenue by May 1st. I will, therefore, write Mr. Chandler to-day again calling his attention to the fact that we are very anxious to sublet this floor for the remainder of our lease, if possible.

In the course of conversation Mr. Babson advised he had learned indirectly that the Victor Company had made an appropriation of \$50,000. for advertising, the object being to handle the Victor goods from the office of the Chicago Talking Machine Company on practically the same basis as the Babsons are now selling our goods. This, of course, has not been verified, but from the treatment Mr. Henry Babson received when he was last in Camden, it would appear as though they purposed doing all they could to injure Babson Bros.' business.

After considering the facts as herein set forth, and accepting statement made by Mr. Fred Babson as to their assets, I feel quite sure you will approve my action in granting them special terms on the train-load shipment of goods, and in this connection would advise that we will in all probability be able to ship the entire 250,000. records, and all the machines, with the possible exception of some Standards, as it does not appear as though we can give them the entire 5,000 of that type.

No. 3

W. R. G.

You may destroy copy of statement, inasmuch as I shall retain the original for my files.
Hoping you had a very pleasant trip, and that the entire family are well and enjoying themselves, I remain,

Yours very truly,

NATIONAL PHONOGRAPH COMPANY.

J. H. Dolbear.
Manager Credit Department.

LVR
encs

[ENCLOSURE]

March 28-1907.

The following is a statement of the Assets and Liabilities of
Babson Bros., Chicago, Ill., as of March 1st, 1907:---

ASSETS

| | |
|--|------------|
| Instalment accounts | \$265,000. |
| Wholesale accounts | 23,000. |
| Merchandise on hand | 68,000. |
| Investment in new building, including real estate | 27,000. |
| In bank (Wholesale Department) | 54,000. |
| In bank (Retail Department) | 16,000. |
| | <hr/> |
| | \$453,000. |

LIABILITIES

| | |
|---|------------|
| National Phon. Co. (Open Account) | \$ 80,000. |
| National Phon. Co. (Notes) | 30,000. |
| First National Bank, Chicago, | 20,000. |
| Two Nebraska Banks | 15,000. |
| | <hr/> |
| | \$145,000. |

The above is approximately a correct showing of the assets and
liabilities of Babson Brothers, who are still operating as a partner-
ship, the business not having been turned over to Babson Bros. Inc.

(Signed)

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER,
J. R. SCHERER & BROS.,
ASSISTANT GENERAL MANAGER.

TRADE
Thomas A. Edison
MARK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUALS MENTIONED THESE DETAILS.

NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.
31 UNION SQUARE, NEW YORK.

J. E. RANDOLPH,
TREASURER,
A. WESTEE,
SECRETARY.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

CABLE ADDRESS
"LYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

Hot Springs, Va.

April 5, 1907.

C. B. Haynes, Esq.,

(Copy of letter sent
direct from Hot Springs, Va)

C. B. Haynes & Co.,

Richmond, Va.

Dear Sir:

I have yours of the 3rd. Our opinion was exactly what you say in your letter, that the Jamestown Fair would be a frost. However, if you think it will aid our mutual interests to some extent I am willing to aid. My opinion is that the larger space 30' X 21' 6" would be the best, as if we intend to make any showing we can only do it in the larger space. Therefore, we will go in for not to exceed \$2,000.00 in cash, and you can go ahead. If, on the other hand, you think that the 15' x 21' 6" will answer, all well and good. Let me know to Orange just what you want in the way of machines, etc., to make a good showing. I suppose you will look out for the horns and accessories. I do not want you to lose any money on the proposition. I return the drawing you enclosed. Remember, we will not go into any competition game under any circumstances. Better do everything in your own name and we will stand behind you, as above indicated.

Yours very truly,

W. E. GILMORE.

Phone 6227.

C. B. Haynes,

WHOLESALE AND RETAIL

Edison Phonographs and Records,

Mega Horns, Raphe Cranes, Supplies, etc.

602 E. Main Street.



RICHMOND, VA., Apr. 6th., 1907.

W. E. Gilmore
Orange., N. J.
Dear Mr. Gilmore:-

Your favor of the 5th received and carefully noted. I must confess that it is a very liberal proposition you have offered, and I want to thank you for it. I honestly believe it will aid our mutual interests because if your Company was not represented at all, it would create the impression that the other Talking Machines would take advantage of it. I have decided to take the 30x21 6" space and if you can induce Mr. Durand to put a display of the Commercial Machines there, it will add to the attraction. If the expense exceeds the \$2000 you have so generously agreed to expend, we will endeavor to pay the rest of it, but we are going to try to keep it within this limit. I have written the Exposition people to reserve this space, also requested them to let us know the date of payment for same, and instructions regarding the shipments. I am going to be in New York on the 15th. and will come over to see you in regards to the Machines we want for display. The Horns, Cabinets, and other things, we will look after. We will not enter for any competition nor request any Medals to be given. I can assure you that the Machines on the floor will be in perfect running condition, and we are going to try to sell some goods there, if we can, and have them shipped from Richmond, and sign up all the

Phone 6227.

C. B. Haynes,

—WHOLESALE AND RETAIL—

Edison Phonographs and Records,

Mega Horns, Rapke Cranes, Supplies, Etc.

602 E. Main Street.

RICHMOND, VA., _____

dealers we can.

Trusting you have been benefited by your sojourn at the Hot
Springs, I am, sir,

Yours very truly,

NCT/CHH



Phon. - Patents

Legal Department.

Telephone 207 Orange,
Cable Address Edlegal, Orange.

Thomas A. Edison,
National Phonograph Co.,
Edison Manufacturing Co.,
Bates Manufacturing Co.,
Edison Storage Battery Co.

Frank L. Dyer, General Counsel.



Wm. E. Gilmore, Esq.,

Orange, N.J.

Dear Mr. Gilmore:-

Complying with your memorandum of the 12th inst. I beg to advise you that the following patents were taken out by employees of the National Phonograph Company and allied concerns during the year 1906:-

No. 810,018, January 16th, 1906, granted to E.L. Aiken. This patent relates to a special repeating attachment that was designed for use in case as a result of litigation with Rosenfield we were required to give up our present return attachment. Under the present circumstances, I do not regard the patent as important.

No. 811,010, January 30, 1906, granted to Peter Weber. The patent covers the special speed index that was used, and I believe is still used with the Triumph machine.

No. 813,514, February 27, 1906, granted to J.F. Ott. The patent covers the machine used for applying the white pigment to the engraved ends of the records. Of course, many other

No. 2 - Wm. E. Gilmore, Esq.

forms of apparatus can be devised for accomplishing this result.

No. 817,152, April 10, 1906, granted to Jonas W. Aylsworth. This patent covers the special nickel-plating apparatus used by the Storage Battery Company for nickel-plating continuous strips, and is probably of some value.

No. 817,831, April 17, 1906, granted to Aiken. This patent relates to the special dipping mechanism now used in which the molds are automatically elevated and lowered at regular intervals. For the particular molding process we use, I think the patent is of considerable value.

No. 820,158, May 8, 1906, granted to Peter Weber. This patent covers the improved sectional horn in which the sections are telescoped together. Its value depends entirely upon commercial questions.

No. 820,165, May 8, 1906, granted to Aiken. The patent covers the special repeating attachment used by the Company, and so far as that branch of the business is important, it no doubt possesses some relative value.

No. 821,071, May 22, 1906, granted to Peter Weber. This patent covers the special guard or shield that protects the feed spring in the Home machine. The patent, of course, is not indispensable, but in its relation to a small detail, is no doubt of some value.

No. 3 - Wm. E. Gilmore, Esq.,

No. 824,773, July 3, 1906, granted to Aiken. The patent relates to a special ear piece that was invented at one time for use with the commercial machine, but is not now used. I do not regard the patent as having any material value.

No. 827,295, July 31, 1906, granted to David A. Dodd. This patent relates to the special dipping receptacles for holding the molds used by the Company, and is no doubt worth something, but not much.

No. 829,123, August 21, 1906, granted to A.N. Pierman. The patent relates to a special friction reproducer, but I do not consider it of any value unless materially modified. Furthermore I would doubt the wisdom of our taking up that branch since the Higham patents are owned by competitors.

No. 831,668, September 25, 1906, granted to Maurice Joyce. This patent has already been bought by the Company. It relates to a special molding process which has been made the basis of a suit against the American Graphophone Company; if the patent is sustained it will, no doubt, be valuable.

No. 834,485, October 30, 1906, granted to W.F. Nehr. The patent covers the special end cap used by the Company in its molding process, and I understand that the invention has of considerable practical value in a commercial way. For this reason the patent is no doubt worth something.

No. 837773, Dec. 4, 1906, to J.W. Aylsworth. The patent relates to a special process for cleaning the metallic surfaces of storage batteries, but I understand the invention is not of any special value.

No. 4 - Wm. E. Gilmore, Esq.

- APPLICATIONS FILED DURING 1906 -

Jonas W. Aylsworth, filed February 5, 1906, Serial No. 299,630. The application covers the special molding composition now used, and if the patent is granted it will, no doubt, be of considerable value.

E.L. Aiken, filed February 5, 1906, Serial No. 299,483. This application covers the special recorder or reproducer used, I believe, with the Commercial machines for taking care of the considerable variations in the thickness of the blanks. In a small way I would regard the invention as of value.

E.L. Aiken, filed February 20, 1906, Serial No. 301,982. The application covers the special regulating mechanism, which so far as I know, has not been commercially used. If the device should be commercially used, it would, no doubt, be of some small value.

A.N. Pierman, filed March 22, 1906, Serial No. 307,324. The application relates to one of the several reproducers invented by Mr. Pierman, making use of a vacuum, and the value of the whole scheme in my judgment depends upon the extent of its commercial success.

C.L. Hibbard, filed April 5, 1906, Serial No. 310,138.

No. 5 - Wm. E. Gilmore, Esq.

The application covers the special start and stop mechanism used with the commercial machine, where the foot pedal operates a chain that passes thru a flexible chute. There seems, however, to be very little novelty in the invention, so that I do not regard it as being particularly valuable from our point of view.

John Certly, filed April 24, 1906, Serial No. 315,385. The application relates to a special projecting shutter for automatically cutting off the light in the moving picture apparatus when the film stops. I understand that Mr. Certly has already been paid for the invention. I consider the invention of value in a small way.

J.W. Aylsworth, filed May 8, 1906, Serial No. 315,716. The application covers a special expanding mandrel for holding records that are provided with cylindrical bores, instead of tapering bores. Unless such records are adopted commercially I do not regard the invention as of any special value.

J.W. Aylsworth, filed May 11, 1906, Serial No. 316,280. The application covers the spinning process in which a hot mold is used, and assuming the commercial importance of this scheme I regard the invention of very considerable value.

J.W. Aylsworth, filed May 16th, 1906, Serial No. 317,083. The application covers the spinning process in which the cold mold is used and is of value only as supplanting the general scheme.

No. 6 - Wm. E. Gilmore, Esq.

J.W. Aylsworth, filed May 16th, 1906, Serial No. 317,082.

The application covers the spinning process in which solid material is introduced within the mold and the same remarks apply as to its value as above.

J.W. Aylsworth, filed May 31, 1906, Serial No. 319,422.

The application covers a special reaming process for finishing the bore of records made by spinning and is of value only as generally supplanting the scheme.

J.W. Aylsworth, filed May 31, 1906, Serial No. 319,421.

The application covers a special composition for making duplicate records, but as it is not used and probably will not be used, its only value is in preventing the employment of the same by our competitors.

J.W. Aylsworth, May 31st, 1906, Serial No. 319,464.

The application relates to a process for spinning celluloid records and is of value only as supplanting the general scheme.

J.W. Aylsworth, May 31, 1906, Serial No. 319,465. The application relates to a special fireproof celluloid composition which may possibly be developed for use in the moving picture art, and also, possibly for phonograph records. At the present time the value of the invention is very problematical.

J.W. Aylsworth, May 31, 1906, Serial No. 319,466. The

application relates to a duplicate record made of the above celluloid composition and the same remarks apply as to its value.

No. 7 - Wm. E. Gilmore, Esq.

J.W. Agneworth, filed June 16, 1906, Serial No. 322,078. The application relates to a celluloid record by a spinning process. I do not regard the invention as being particularly valuable, particularly since it is doubtful whether a patent can be obtained.

W.F. Nehr, filed July 3, 1906, Serial No. 324,522. The application covers certain details in the molding process now used and I regard the invention as possessing some value.

A.N. Pierman, filed July 5th, 1906, Serial No. 324,756. The application relates to a testing device for determining the quality of blanks used with the commercial machine. I do not regard it of value, particularly since it seems to be substantially old.

A.L. Aiken, filed July 14, 1906, Serial No. 326,275. This application covers a fireproof shutter for use with projecting machines, and so far as it relates to a relatively small detail of the business, I regard the invention as having some value.

A.N. Pierman, September 13th, 1906, Serial No. 334,441. The invention relates to a sound modifier for use with the commercial machines, and in a small way, may possess some value.

Walter H. Miller, filed September 24, 1906, Serial No. 335,878. The application covers a special diaphragm invented by Mr. Miller, concerning which he seemed to be quite enthusi-

No. 8 - Wm. E. Gilmore, Esq.

astic at the time the case was filed, but as nothing seems to have been done with the suggestion I assume that it is not of special value.

Durand & Aiken, filed October 26, 1906, Serial No. 340728. The application relates to a small detail for use with the commercial machine, which I understand is now, or soon will be, obsolete, and I therefore do not regard the invention as being of any special value.

Jonas W. Aylsworth, November 7th, 1906, Serial No. 342317. The application covers a very hard composition for use with records of fine pitch. Assuming that such records are made and that this composition is adopted, I would regard the invention as of considerable value, but I understand from Mr. Aylsworth that he expects to produce a different composition, so that in that case the value of the invention consists practically in preventing its use by competitors.

J.W. Aylsworth, November 7th, 1906, Serial No. 342,318. This application covers a special composite record having a hard outer layer and a reasonable inner layer, and I understand from Mr. Aylsworth that if a fine pitch record is adopted, this scheme will no doubt be used. From this point of view, I would regard the invention as of considerable value.

Of course, the opinions I have above expressed as to value or lack of value of inventions or patents, are based only on my

No. 9 - Wm. F. Gilsora, Esq.

personal observation and sometimes with talks with the different inventors. Perhaps in some cases, I have done them injustice, and in other cases I may have been too optimistic. No doubt a more definite opinion could be based as a result of a joint consideration of these matters between Mr. Weber and myself, because he could pass on the commercial aspect of the invention, and I could pass on their aspect in a patentable and legal sense.

Yours very truly,

Edward L. Fisher

ELD/ARK.

NATIONAL PHONOGRAPH COMPANY

Exhibitions

May 1, 1907.

F. K. Delbeer, Esq.,
Manager of Credit,
New York.

Dear Sir:

I have your letter of the 29th, enclosing letter from C. B. Haynes, Richmond, Va., dated April 27th, and I note that he has decided to discontinue the Jamestown matter. As to your suggestion, that Droop, of Washington, D. C., take it up, this is a matter that does not interest me. I never was interested in Jamestown and I am less so at the present time. If anybody else wants to take it up, however, I am willing to stand by the same arrangement I made with Haynes, and that was, to put up \$2,000.00; but our name must not be mentioned in connection with the contract, nor will we under any circumstances enter into obligations to place our apparatus in competition with other manufacturers. The reasons for this are obvious. As I have told you before, I am satisfied in my own mind that the Jamestown Exposition is going to be a cold cold "frost". We have never gotten anything out of the fact of awards that were received from expositions and I do not propose to begin now to use our money for the purpose of obtaining awards.

Yours very truly,

WEG/IWW
Enc

President.

H.P.C.

*See Service printed me
to show this to [unclear]*

Messrs. Westee-Feber-Buehler-Wilson-Delbzer-Brodie-Burnham
W. Stevens- W. H. Miller-Moore-Hird-Leeming-Alley-Moran-
Brown-Harrison-Duval-Edthamney-Bee-E. F. Miller-Redfern-
Frost-Dyer-Condole-Walker.

In my absence our Secretary, Mr. Westee, will look after all matters and approve everything that may be necessary to be approved the same as if I were here, and it goes without saying that Mr. Westee will have entire charge of our business, other than the Mechanical Departments, which will be looked after by Mr. Weber, our General Superintendent; therefore the approval of either of these gentlemen will be considered as final.

In the event of any question coming up that may require a consultation, I desire that a conference be held between the parties at interest, and if a decision cannot be reached then the matter should be taken up with Mr. Edison. I particularly do not want Mr. Edison brought into any questions of business policy, or in fact any other matters, unless it is absolutely necessary that he be approached on the subject, my idea being that with the combined judgment you should in nine out of ten cases be able to act intelligently and wisely without disturbing or bothering Mr. Edison with matters with the details of which he is not familiar. It is not to be considered, however, on the part of any of the Managers of the departments that they shall not see Mr. Edison and inform him as to conditions in their relative departments, as of course I desire the same course to be pursued in my absence as has been the case in the past. I want it distinctly understood that Mr. Edison should be informed as to how business is progressing and all information given him that he may require, so as to keep him conversant with the general conditions, and I do not intend this memorandum as a hamper to the Manager of any department.

5/3/07.

W. E. Hillard

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER,
J. R. SCHERNERHORN,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER,
A. WESTICE,
SECRETARY.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

31 UNION SQUARE, NEW YORK.

LONDON,
PARIS,
BERLIN,
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SYDNEY,
MEXICO CITY.

TRADE
MARK
Thomas A. Edison
MARK

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYNYOTIC, NEW YORK"

Orange, N. J. May 15, 1907.

W. E. Gilmore
5/17/07
W. E. Gilmore, Esq., President,
National Phonograph Co.,
London, England.

Dear Mr. Gilmore:

I give you below report of shipments, orders received, etc.:

We shipped last week a total of 6601 phonographs and 537,443 records, of which 208 machines went abroad and 6393 throughout this country, and of the records 33,444 went abroad and 503,999 throughout this country.

We shipped a total of 128 projecting kinetoscopes and 72,310 feet of film. We have unfilled orders for 456 machines and 51,625 feet of film.

We have unfilled orders for a total of 20,145 phonographs and 887,070 records.

We received orders last week for 598,233 records and 3772 phonographs.

The total pay-roll for week ending May 4th amounted to \$48,506.02.

The National Company's sales up to and including the 11th amounted to \$326,878.63, as against \$118,085.56 for the corresponding period last year, and as against \$281,264.72 for same period last month. While this looks as if we were beating the month of April, it is not so, as we will fall down the latter part of the month as the Babson shipments boomed April.

Manufacturing Company's sales amounted to \$36,653.45 as against \$15,817.22 last year.

Bates sales amounted to \$3,315.21 as against \$4,590.59 last year. This shows a falling off, but then the month of May, 1906, was the biggest month the Bates Co. ever had, no doubt due to special efforts of Burnham to make a showing.

After a whole lot of nonsense on the part of Randall, we finally got the Valley Road deal closed at \$10,250.00 plus whatever the taxes will be for last year (about \$50.00), as the owners

SHEET No. 2. DATE, 5/15/07. NATIONAL PHONOGRAPH CO. TO W. E. Gilmore.

positively refused to pay same. On the Hipple affair, as Horton did not want our representative (O'Hagen) present at the closing of the deal, we called the matter off until your return. Horton has kept himself over in New York, so Helm has had no chance to get at him, but will see him next week, as I have made an appointment with him at his office and will have Helm there.

We are negotiating now for the purchase of outstanding bonds, and shall accept any we can get, even if we pay par. Mr. Edison has approved of this. The insurance people are beginning to push us quite hard on insuring the new buildings. We have several cancellations of policies and notification of 50¢ increase in rates. Mr. Weber and myself are going to discuss this situation with Mr. Edison this afternoon and I will let you know the result of our conference in my next letter.

With best regards to Mrs. Gilmore and yourself, also Mr. and Mrs. Schermerhorn, I am,

Faithfully yours,

W. E. Gilmore

W. E. GILMORE,
PRESIDENT GENERAL MANAGER.
J. R. SCHIRMERSTROM,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.
A. WESTER,
SECRETARY.

TRADE
Thomas A. Edison.
MARK.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS, INC.
31 UNION SQUARE, NEW YORK.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND REVERSE THESE NOTES.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

Orange, N.J.
May 22, 1907.
Amby
5/4/07
ms

W. E. Gilmore, Esq., President,
National Phonograph Co.,
London, England.

Dear Mr. Gilmore:

I give you below report of the business for week ending May 18th:

We shipped last week a total of 6648 phonographs and 416,439 records. Of the machines 456 went abroad and 6190 in this country; and of the records 2673 were shipped abroad and 413,766 throughout this country.

We received orders last week for 5576 phonographs, of which 3122 are for foreign shipment and 2454 for domestic shipment; and the orders for records totaled 618,143, of which 66,000 are for shipment to Sydney.

We have unfilled orders for 19,233 phonographs and 1,082,286 records.

We received orders last week for 349 Projecting Kinetoscopes and 51,895 feet of film, and shipped 114 machines and 27,175 feet of film. We have unfilled orders for 691 machines and 75,070 feet of film.

The total pay-roll for week ending May 11th was \$48,002.79.

We have total retail dealers amounting to 11,033.

The National Phonograph Company's sales up to and including the 18th amounted to \$488,066.75, as against \$189,735.02 for the corresponding period last year and as against \$562,304.30 for same period last month.

Manufacturing Company's sales amounted to \$59,466.74 as against \$23,927.80 last year.

Bates sales amounted to \$5,026.76 as against \$7,680.23.

In regard to the insurance question, Mr. Weber and myself had quite a conference with Mr. Edison, who finally decided that

SHEET No. 2, DATE, 5/22/07. NATIONAL PHONOGRAPH CO. TO W. E. Gilmore.

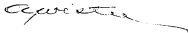
we allow the policies to expire and that we immediately insure ourselves, creating a fire fund, to be subject to the control of the Board of Directors. We have started to purchase the outstanding bonds and have so far secured 40 out of the 84 outstanding, with prospects of securing a big portion of the remaining outstanding bonds. For whatever outside bonds we cannot secure, Mr. Edison will give the trustees a personal guarantee, indemnifying the outside bond holders from any loss. I have had Helm, Pelzer and Dyer together on the legal end of the question, and we will no doubt have everything fixed satisfactorily so far as that is concerned.

After settling the fire insurance question I delved into the Liability insurance, took the matter up with Mr. Edison, let him read certain portions of the policies, and convinced him that liability insurance is one of the greatest "sucker" games afloat. He agreed with me, and we decided to let the policies expire on July 1st, and insure ourselves. I have arranged that all accidents be reported to Frost as the head of our Insurance Department, who will give necessary attention to these matters, consulting with the Legal Department when necessary. The reasons for taking these risks ourselves, and the economy thereof I shall defer explaining until your return. I am sure, however, that you will approve of my action.

Nothing further has developed in the Horton situation, as I have neither seen nor heard of him in a week. Otherwise everything is going along in good shape.

With kindest regards to all, believe me,

Yours very truly,



P. S. We have sent off the dividend checks, except the ones for Mr. Schermerhorn and yourself, which we will hold here until your return.

Helm

M. P. - Mansfield

May 27th, 1907.

A. Westee, Esq.,
The National Phonograph Company,
Orange, New Jersey, U.S.A.

My dear Westee,

Your letter of the 15th instant came in several days ago, but I have just gotten down to acknowledging anything.

I am indeed glad to learn how matters are progressing with us. What you want to do now is to get after Weber at once and see that the production of kinetoscopes is increased. Tell him from me that we want to keep ahead of orders on this particular branch as we must get all we can out of the business as fast as it comes to us.

As to the film end of the business I don't see but what Moore can take care of his orders promptly.

The rest of the information is most interesting indeed. I am glad to learn that you have got the Valley Road deal closed up.

As to the Hipple affair Horton has got to do just as you say or else we will do nothing. Evidently he wants to take advantage of your ignorance and therefore did not want O'Hagen present. What you have done is entirely in order. I hope Helm will keep after Horton, and that I will be advised later as to what (if anything) has been accomplished.

You speak of purchasing outside bonds but I don't quite understand as to whether you intend to buy them for Mr. Edison or some-

body else. I don't see how it is possible for "us" to buy them. They should, in other words, be bought indirectly if at all.

So far as insurance is concerned what was decided as to this should be followed out at once even though policies are cancelled, and when they ask for an increase in the rates simply tell them to cancel it. Let us start our own insurance Fund at once. There is no reason why we should not decide upon an amount to be set aside to take care of fire risks out of the past year's profits. You might discuss it with Mr. Edison and then decide as to what is best to be done. If, on the other hand, it wants to be left open until I return all well and good. I write you my opinion even before hearing from you so that you will know what my position is. Now that we have decided that the Insurance Companies cannot run us and do as they choose we might as well let them understand at once.

Yours very truly,

President.

W.S.G./L.D.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. B. SCHLESINGER & SONS,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.
A. WEST GEE,
SECRETARY.

COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

MANUFACTURING AND INSTALLING APPLIANCES FOR THE

EDISON COMMERCIAL SYSTEM

CONDUCTED WITH THE

BUSINESS PHONOGRAPH

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

TRADE
Thomas A. Edison
MARK.

Dictated to the
Edison Business
Phonograph

M. C. D. - W.

CABLE ADDRESS
"ZYMOTIG, NEW YORK"

ADDRESS YOUR REPLY TO

*Answer
6/11/07
ms
Z*
New York, May 29th 1907.

Mr. W. E. Gilmore, President,
National Phonograph Co. Ltd.,
London, England.

Dear Sir:-

Confirming Mr. Edison's cablegram to you to-day, to the effect that we had a phonograph of one hundred and fifty threads to the inch ready, and requesting your decision about putting it out, I may state the following for your further information.

The writer being very keen for any improvements on our phonograph which would give me a radical argument for customers who were in doubt between two types of talking machines which are practically the same, dropped on to the fact that a one hundred and fifty thread machine could probably be made.

Several months ago Mr. Weber took this matter up, and about a week ago succeeded in producing a machine which I have been using at my desk very successfully, combining this one hundred and fifty threads to the inch, with no other change except the back feed screw and a new recorder and reproducer. The expense in changing over the old machine will be the feed screw. The recorders and reproducers which are taken from the old machines being useful for parts in the amusement machine.

However, fearing that any interest I might show in this one hundred and fifty thread machine might influence our competitors to work upon something of the kind for the amusement machine, I took the matter up with Mr. Wilson and Mr. Dolbeer, who appointed themselves

W. E. SILMORE,
PRESIDENT & GENERAL MANAGER.
J. R. SCHERER-ROHM,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.
A. WESTEE,
SECRETARY.

**COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.**

ORANGE, N. J.

MANUFACTURING AND INSTALLING APPLIANCES FOR THE
EDISON COMMERCIAL SYSTEM

CONDUCTED WITH THE
BUSINESS PHONOGRAPH

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

TRADE
Thomas A. Edison
MARK.

INDICATED TO THE
EDISON BUSINESS
PHONOGRAPH

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

New York,

#2. W. E. G.

as a committee with Mr. Westee and Mr. Weber to talk the matter over. This morning Mr. Edison was also called in, and the consensus of opinion was to the effect that since Mr. Edison had the two hundred threads to the inch machine almost ready, according to his own statement, that we could not possibly do the amusement business any harm by adopting one hundred and fifty threads to the inch. If our competitors attempted to copy this design Mr. Edison felt sure that he would have the two hundred threads to the inch out before very long, and therefore the worst that could happen to the business, would be for our competitors to copy the one hundred and fifty threads to the inch for the commercial machine only.

The writer feels that this will be of great assistance to him during the summer months, and believes that our competitors will not be so ready to copy this machines, but will allow a considerable time to elapse before making any improvement of that nature.

To-day we are constantly confronted by competition which is practically beyond our prices, because Graphophones which are worth only \$10.00 to old users, may be cleaned up and put into business for transcribers use only.

If we had something radical in the way of an improvement which we could show customers a fifty per cent saving in the cost of wax and breakage, such as the new one hundred and fifty thread machine would produce, we could undoubtedly get most of the business this summer, and realize on the large expenditure which confronts the Commercial Department.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER,
J. R. SCHERERHORN,
ASSISTANT GENERAL MANAGER.

TRADE
Thomas A. Edison
MARK.

LECTATED TO THE
EDISON BUSINESS
PHONOGRAPH

COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.

ORANGE, N. J.
MANUFACTURING AND INSTALLING APPLIANCES FOR THE
EDISON COMMERCIAL SYSTEM
CONDUCTED WITH THE
BUSINESS PHONOGRAPH

31 UNION SQUARE, NEW YORK.
304 WABASH AVENUE, CHICAGO.

J. F. RANDOLPH,
TREASURER,
A. WESTEE,
SECRETARY

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY.

CABLE ADDRESS
"ZYNOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

New York,

#2. W. E. G.

We hope for a favorable cable, but meanwhile
are sending you this letter to give you the fullest
information.

With kindest personal regards to yourself
and friends, I remain,

Yours very respectfully,

NATIONAL PHONOGRAPH CO.
Commercial Dept.

Wm. E. Gilmore

~~Wm. E.~~ Mgr.

June 22nd, 1907.

Yours truly
Nelson C. Durand, Esq.,
The National Phonograph Company,
Orange, New Jersey.

Dear Sir,

I duly received your letter of May 29th confirming Mr. Edison's cable to me relative to manufacturing the business type machine to operate at 150 threads to the inch. I cabled my approval to Mr. Edison direct, and I presume that the work will have proceeded ere this.

I should have answered your letter before but I have been travelling on the Continent, and it is almost impossible to secure satisfactory English stenographers.

Trusting that this finds you enjoying your usual good health and with kind regards

Believe me,

Yours very truly,

W.E.G./L.D.

President.

P
1907

Phon. - Record - Manuf.

EDISON PHONOGRAPH WORKS.

June 28, 1907.

Messrs. Aiken, Nehr, Sims, Sturm,
George Weber, Riley, Cromelin,
Payne, Hird, Malone, Dempsey,
Hamilton, Moran, Gilmore, Redfern.

Hereafter the monthly supplement records will be moulded and finished complete on the second floor of building #21. After boxing they are to be delivered to the first floor of building #21 and stored there, and when packed the cases are to be kept on this floor until ready for shipment. No more supplement records, packed or unpacked, are to be stored in the new Record building (#24) and in fact no records that are made in building #21 and stored in the same building are to be carted to #24.

As soon as the current stock and racks are transferred from #21 to the second floor of #24 there will be sufficient room on this floor of building #21 to carry a certain amount of excelsior, and in unloading excelsior from cars it can be delivered directly to the packing floor, building #21.

All current records are to be moulded on the top floor of #24, and the moulding tanks on the first floor of building #20 have been shut down, and the dipping apparatus, etc., is to be transferred to the tanks on top floor building #24. Jacket washing, etc., can be done in #23 where the repairing of jackets is being done, and this will vacate the first floor of building #20 entirely and the doors of this floor can be locked.

The current records will be finished, inspected and boxed on the third floor and stored on the second floor. All orders are to be made up on this floor and delivered to the Packing Room first floor building #24 through shutters and conveyors leading from the second floor building #24 to the first floor. For the time being all surplus record cartons are to be stored on the first floor building #24 and taken to the fourth floor as they are required.

The Blank Shaving and Duplicating Department is to be transferred from third floor #20 to the fourth floor #24, including Mr. Payne's Department, and all material now located on the third floor of building #20. The moving of this department including the exhaust head and blower will be done Saturday and Sunday. The blank moulding and rough shaving of blanks is to be transferred from #19 to the fourth floor of building #24.

P. WEBER.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

J. R. SCHERMERHORN,
PRESIDENT EDITOR, MANAGER.

J. F. RANDOLPH,
TREASURER.

A. WESTEE,
SECRETARY.



TRADE MARK
Thomas A. Edison

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE DETAILS.

Phon. - Advertising
NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

10 FIFTH AVENUE NEW YORK

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY,
BUENOS AIRES.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

Orange, N. J. July 18, 1907.

Mr. W. E. Gilmore, President,
Orange, N. J.

Dear Sir:

I will be glad at an early opportunity to discuss the matter of the attached correspondence with you. It is important that our relations with Madison & Co. should be harmonious and if I am working under a misunderstanding of the situation, I should like to know it without delay. In any event, I hope that you will not take away from my department the privilege of scrutinizing bills rendered for our work.

Very truly yours,

J. F. Randolph
Manager Advertising Department.

[ENCLOSURE]



JULY 8, 1907.

Mr. L. C. McChesney, Adv. Mgr.,
National Phonograph Co.,
Orange, N. J.

Dear Sir:

Your letter of July 6th, to Madison & Co., has been handed to me for reply by Mr. Friend. I am very sorry to constantly find letters from your department to our company complaining about prices for work being done. In view of the many letters received from you, I have requested Mr. Friend to turn all of your correspondence in the nature of complaints from you to me for reply. I do not consider it fair on your part to be constantly complaining and annoying the management. I would suggest that any complaints you have to make in the future you will hold them up until the return of the president of the company, so that we may take them up personally with him. Constant annoyance simply breeds trouble here at the plant and I would consider it a personal favor if you would do as I suggest.

Thanking you for your courtesy in the matter, I remain,

Yours truly,
MADISON & CO.,

Vice-president.

[ENCLOSURE]

July 11, 1907.

John E. Helm, Esq.,
Vice President,
Madison & Co.,
Newark, N.J.

Dear Sir:

I must take exception to the attitude indicated by your letter of July 8th with reference to the letters about prices of printing I have written to Madison & Co. I repudiate your statement that I am constantly and unfairly annoying the management of your company. I have written no letter and made no statement not wholly consistent with my duties as Advertising Manager of this company, nor inconsistent with what I have believed and still believe to be in accordance with Mr. Gilmore's views.

On at least two different occasions, Mr. Gilmore stated to me that he did not want Madison & Co. granted more than reasonable preference in the matter of prices over what we had been paying. He agreed that we would allow Madison & Co. 15% on the cost of paper and stated in effect that I might pass bills for factory printing if they were not more than 10% to 15% over previous costs, in addition to the paper margin. Believing that these advantages were sufficient to enable Madison & Co. to do business on a profitable basis, I have felt warranted in questioning such bills as seemed to conflict with this basis. Mr. Friend agreed that prices previously paid for catalogues, etc., with the addition of the paper margin, would be profitable.

On at least two occasions, I have expressed my opposition to the policy of putting higher prices upon work than conditions justified. I detract nothing from those views. As Manager of this Department, I can consider no others. I refuse to believe that Mr. Gilmore ever intended

[ENCLOSURE]

John E. Helm, Esq. -2-

7/11/07

me to approve and pass bills without proper supervision, and, until he instructs me otherwise, I must insist upon being permitted to exercise the functions of my position.

Your letter practically states that I must cease questioning any bills rendered by your company; or, at least, I must do so to Mr. Gilmore, if at all. This assumes that Mr. Friend cannot err; a virtue that Mr. Friend himself will not claim. Probably one-half of the letters that we have written to your company have referred to what we believed were errors and a good percentage of these proved to be such. I recall one bill that we questioned on which your company had figured an item of \$13.00 as \$130.00. This was an error and your company admitted the fact. Our books show a number of similar errors, but for minor sums. And yet such errors would not have been detected had your contentions prevailed.

Since the foregoing was dictated, Mr. Friend has sent the details of the Bates bill notwithstanding his and your refusal of July 8th. These details prove the wisdom of furnishing them, both for your benefit as well as mine. In this instance, they pointed out wherein I had been laboring under an error. I had compared your bill with that rendered by another printer for the preceding Bates Catalogue, whereas the latter comprised only 16 pages and cover against 20 pages and cover in your edition. I do not agree with some of your charges and will write a separate letter to Mr. Friend, but, in the main, I was wrong. Had you persisted in refusing the details of the bill, I would have continued in the belief that you had made an error.

I again want to express my belief that Mr. Gilmore's desire has been to have the relations between your company and the Edison companies businesslike in every respect and subject to businesslike supervision. If such is not his purpose, I have certainly been following the wrong course and, when opportunity offers, I shall get such definite instructions as will make further misunderstanding impossible.

Very truly yours,

Manager Advertising Department.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.
J. H. SCHNEIDERHEIM,
ASSISTANT GENERAL MANAGER.

Phon. - Sella

J. F. RANDOLPH,
TREASURER.
A. WESTICE,
SECRETARY.



NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.
31 UNION SQUARE, NEW YORK.

LONDON, PARIS,
BERLIN, BRUSSELS,
SYDNEY, MEXICO CITY.

IN REFERRING ADDRESS THE COMPANY NOT
THE INDIVIDUAL, AND REVERT TO THIS OFFICE.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

F. K. D.

New York



Mr. Wm. X. Gilmore, President,
National Phonograph Company,
Orange, N. J.

Dear Sir:—

Herewith attached is copy of letter I am sending
Peter Bacigalupi & Sons, to-day. I believe this covers the matter
fully, and after reading same, we would respectfully suggest that
you hand it to Mr. Westee for his consideration. We have retained
another copy at this office.

Yours very truly,

NATIONAL PHONOGRAPH COMPANY.

LVR
enc

J. F. Randolph
Manager Credit Department.

*Bacigalupi
OK
return to
Mrs
W. X.*

[ENCLOSURE]

F. K. D.

C

AUGUST 8-1907.

P. Bacigalupi & Sons,
1021 Golden Gate Ave.,
San Francisco, Cal.

Gentlemen:--

As you were advised in one of our previous letters, we purposed discussing the San Francisco situation in general, and your account in particular, with Mr. Gilmore at the earliest possible moment. The facts were all laid before him yesterday, with the following result:--

It has been decided in view of the conditions as they now exist, that we would prefer to handle as much of your account as is possible on a consignment basis, and you, of course, understand that this refers to machines only. Before changing the machine account to a consignment one, we would prefer to have the old account closed as of a certain date. We find you are now owing us as of Aug. 7th \$12,381.75, and we would respectfully request that at the earliest possible moment you forward a check for \$2381.75 and \$10,000. in Notes, in amounts of \$500. each, they to mature on the 15th and 30th of each month until the entire amount has been paid, each Note to bear the legal rate of interest of 6%.

This handling of the old account we feel will prove entirely satisfactory to you, inasmuch as it extends the time of payment on your general account very materially, and the consignment of machines will permit of your obtaining sufficient quantities to take care of your dealers requirements.

As in the past, all records shipped and billed to you are to be paid for on regular terms. In considering the line of credit to which you would be entitled, Mr. Gilmore and the writer have agreed that taking everything into consideration, we will not be in position to permit your line of credit to exceed \$15,000. at any one time, including Notes, Open Account and consignments.

In order to avoid the necessity of our calling your attention to the condition of account, you will understand that the moment the three accounts mentioned reach the \$15,000. mark, we will make no further shipments whatever, until either a Note has been paid, or we have received check, to apply either on Open Account or consignment purchases.

[ENCLOSURE]

No. 2

P. Bacigalupi.

From to-day (August 8th) all machines of any type whatever, will, as before stated, be billed consignment account, and in order that there may not be any mistakes as to this, it will be necessary for you to send the Secretary of our Company, Mr. Westoe, a Monthly Report, same to be forwarded not later than the 31st of each month, covering entire sales of consignment goods, mentioning the serial numbers and types of machines as sold, and at the same time forwarding remittances for such goods. Such reports will be filed for future reference, and the proper credits entered in our ledger offsetting such sales.

When forwarding your orders for machines and records, we would respectfully request that they appear on separate orders, so that they may be approved in the regular way, either Open Account or consignment, thus avoiding any confusion or mistakes when billing the goods.

This matter has been given very careful consideration, and in disposing of it as outlined, we feel that you are being treated very liberally, and the proper handling of this account ought to soon place you in position to settle the old account in full, to close this consignment account in the near future, and enable you to perhaps take advantage of cash discount on future purchases.

The writer has been keeping in close touch with the conditions in your city, both by personal interview with parties who are residing there, as well as with others who are engaged in business in San Francisco, and we at one time felt justified in practically refusing to make any further shipments on Open Account, but Mr. Gilmore is so kindly disposed toward you, he has instructed the writer to place this matter before you as herein outlined.

We are quite certain you will appreciate the concessions which Mr. Gilmore has so kindly granted, and it now rests with yourself to adhere very strictly to the limit of credit decided upon. If this is done, we will endeavor to see that shipments are made promptly from the factory, thereby enabling you to take care of your dealers' full requirements.

Not having heard from you regarding your standing order for phonographs, we are to-day instructing our Order Department to cancel the order in question, but at the same time we are approving your order No. 868 dated July 30th calling for 20 Homes and 20 Standards, same to be shipped on consignment. We are also issuing instructions that the 100 Homes, 100 Standards, 50 Gams and 20 Triumphs referred to in your letter of July 22d, which are to be of the new equipment, be shipped at the earliest possible moment on consignment.

We shall hope to receive by early mail a reply to this letter, together with full comments on same, assuring us that you thoroughly understand the situation.

With kind personal regards, and wishing you a full measure of success, we remain,

Yours very truly,
NATIONAL PHONOGRAPH COMPANY.

LWR

Manager Credit Department.

Phon. - Advertising

August 29, 1907

Mr. W.E. Gilmore; President,
Orange, N.J.

Dear Sir:

Our expenditures for magazine advertising
for the year ending August, 1907, were:-

| | |
|-----------------------------|-------------|
| September to December, 1906 | \$21,897.06 |
| January to August, 1907 | \$64,541.72 |
| | <hr/> |
| | \$86,438.78 |

I have made two groups for the reason that during the first period we were working on an appropriation of \$50,000 a year for this class of advertising. In the second period, we were running double space in all publications and working on a basis of \$100,000 a year. The above amounts do not include cost of sketches, plates, etc.

Our expenditure for newspaper advertising in the United States was approximately \$41,000, including the special Record advertising in New York, Boston and Philadelphia in May, June and July.

Our total expenditures for all classes of advertising during the year ending August, 1907, were approximately as follows:

| | |
|----------------------------------|-----------|
| Magazines | \$90,000 |
| Newspapers in United States | 41,000 |
| Newspapers & magazines in Canada | 8,000 |
| Railroad Bulletin | 28,000 |
| Posters (paper) | 12,000 |
| Trade Papers & Miscellaneous | 10,000 |
| Foreign Department | 4,000 |
| | <hr/> |
| | \$193,000 |

We are already committed to the following expenditures in the new advertising year, beginning September, 1907:

| | |
|------------------------------|-----------|
| Magazines | \$115,000 |
| Canada | 10,000 |
| R.R. Bulletins | 22,000 |
| Posters (hangers) | 12,000 |
| Trade Papers & Miscellaneous | 10,000 |
| Foreign Dept. | 4,000 |
| | <hr/> |
| | \$173,000 |

Mr. W.N. Gilmore-2-

August 29, 1907

| | | |
|--|------------------------|---------------|
| | <u>Brought Forward</u> | 173,000 |
| If we should spend only the same amount for newspaper advertising as last year, it would add | | <u>41,000</u> |
| | | 214,000 |

Mr. Edison has repeatedly referred to street car advertising and if we can afford the cost, it is good advertising. We also think that greater efficiency would be secured by increasing the appropriation for newspaper advertising. We are, therefore, suggesting an appropriation of \$125,000 for the two kinds, making a grand total of \$298,000, or \$105,000 more than last year.

The period to be covered by the newspaper and street car advertising can be cut down and the expenditure decreased to \$100,000. If this amount should still be thought too large, it will be better to abandon street cars for this year and spend about \$60,000 for newspaper advertising alone.

Very truly yours,

R. M. Harvey
Manager Advertising Department.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.

A. WESTER,
SECRETARY.



IF RECEIVING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

10 FIFTH AVENUE NEW YORK

LONDON.
PARIS.
BERLIN.
BRUSSELS.
SYDNEY.
MEXICO CITY.
BUENOS AIRES.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

Orange, N. J.

September 7, 1907.

TO THE TRADE

With further reference to the matter of the proposed allowance of a 5% discount for cash on Edison machines sold at retail, we wish to state that this proposition has received our most careful consideration, and we are of the opinion that for the best interests of all our Jobbers and Dealers, a discount for cash, or otherwise, should not be permitted on retail sales of Edison Phonographs, or parts, Records or Blanks.

The success of this company, and the consequent success of the business of our Jobbers and Dealers as a whole, has been due to the establishment and maintenance of the one-price system, and it is our opinion that any deviation from, or variation of the one-price system, would, in the end, prove prejudicial to the interests, not only of this company, but equally so to the business of our Jobbers and Dealers.

We have, therefore, decided without any equivocation whatever, that under no circumstances will we permit the allowance of a discount on retail sales of goods manufactured or sold by this company.

Yours very truly,

W. E. Gilmore

President.

Mr. Durand:

W.E.G.
I have a letter from Mr. Hibbard, in which he tells me that he has the drawings out for a new business phonograph for use in connection with discs. I don't see what benefit this will be to us. Before starting anything definitely about it, I should like to discuss it with you, so see me in regard to it.

9/16/07.

W.E.G.

Ediphone - Machy. (9/16/07)

[ENCLOSURE]

Form No. 112

Ediphone - Manus

MEMORANDUM

COMMERCIAL DEPARTMENT

NATIONAL PHONOGRAPH CO.



Sept. 14th,

Mr. Gilmore.

I thought it might be interesting for you to know that it has taken me just four months and five days to design, get out drawings and build a complete model of the new Edison Business Phonograph.

I also wish to state that I have drawings practically completed for a disc business phonograph with all the features of the present new machine. It has taken four days to get out these drawings, and as a disc business phonograph is entirely new, I thought it might prove some advantage to the company sometime in the future, as I was informed that the Columbia company had given this matter some thought.

G. E. Hibbard.

12-22

W. C. GILMORE,
PRESIDENT & GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.

A. WESTEE,
SECRETARY.



THOMAS A. EDISON

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND RETURN THREE DIALS.

F. K. D.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

10 FIFTH AVENUE NEW YORK

LONDON.
PARIS.
BERLIN.
BRUSSELS.
SYDNEY.
MEXICO CITY.
BUENOS AIRES.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

New York

SEPTEMBER 18-1907.

Mr. Wm. K. Gilmore, President,
National Phonograph Company,
Orange, N. J.

Dear Sir:--

Herewith attached are several sheets showing the
number of dealers signed through our jobbers, which is complete up
to september 13th, 1907.

This is being sent you in accordance with your request of
recent date.

Yours very truly,

NATIONAL PHONOGRAPH COMPANY.

J. F. Dolbow
Manager Credit Department.

LVR

enc



[ENCLOSURE]

Phon. - Sales

September 13, 1907.

NUMBER OF DEALERS SIGNED THROUGH JOBBERS.

57

| | |
|--|-----|
| Ackerman & Co., Scranton, Pa. | 100 |
| Andrews, W. D., Syracuse, N. Y. | 329 |
| Andrews, W. D., Buffalo, N. Y. | 97 |
| American Phono. Co., Detroit, Mich. | 249 |
| American Phono. Co., Gloversville, N. Y. | 146 |
| Aschbach, G. C., Allentown, Pa. | 33 |
| Atlanta Phono. Co., Atlanta, Ga. | 79 |
| Atwood, F. M., Memphis, Tenn. | 27 |
| | |
| Babson Bros., Chicago, Ill. | 800 |
| Bacigalupi, Peter, San Francisco, Cal. | 461 |
| Ball-Fintze, Newark, O. | 291 |
| Balley, Wm., New Orleans, La. | 25 |
| Ball-Fintze, Cincinnati, O. | 34 |
| Bettini Phono. Co., New York City. | 226 |
| Blackman Talking Mach. Co., New York City. | 550 |
| Blackman, J. F., New York City. | 36 |
| Bolway, F. E., Oswego, N.Y. | 83 |
| Boston Cycle & Sundry Co., Boston, Mass. | 508 |
| Buser, Frank, Helena, Mont. | 60 |
| | |
| Clark-Horrocks, Utica, N.Y. | 55 |
| Clayton Music Co., Salt Lake City, Utah. | 51 |
| Conroy Co., St. Louis, Mo. | 109 |
| Crosby, S. L., Bangor, Me. | 122 |
| Cummings, Shepherd & Co., Fort Worth, Tex. | 92 |
| Curtice Co., Ross P. Lincoln, Neb. | 125 |
| | |
| Davega, I., Jr., New York City. | 155 |
| Davega, S. B., New York City. | 204 |
| DeForeest & Son, New Castle, Pa. | 129 |
| Deninger, E. J., Rochester, N.Y. | 32 |
| Denver Dry Goods Co., Denver, Colo. | 102 |
| Douglas Phono. Co., New York City. | 538 |
| Drop & Sons Co., E. F., Washington, D. C. | 210 |
| Dyer & Bros., W. J., St. Paul, Minn. | 619 |

[ENCLOSURE]

-2-

| | |
|---|-----|
| Early Music House, Ft. Dodge, Iowa. | 230 |
| Early Music House, Sioux City, Iowa. | 89 |
| Eastern Talking Machine Co., Boston, Mass. | 625 |
| Eclipse Musical Co., Cleveland, O. | 119 |
| Eclipse Phono. Co., Hoboken, N. J. | 80 |
| Elsonia Co., Newark, N. J. | 84 |
| Elmira Arms Co., Elmira, N.Y. | 220 |
| | |
| Ferris, A. F., Utica, N. Y. | 105 |
| Finch & Hahn, Albany, N. Y. | 90 |
| Flint & Brickett, Springfield, Mass. | 63 |
| Forsyth & Davis, Kingston, N. Y. | 72 |
| Foster, J. A., Providence, R. I. | 57 |
| | |
| Graves & Co., Portland, Ore. | 150 |
| Grinnell Bros., Detroit, Mich. | 158 |
| | |
| Hamburger, S. K., Harrisburg, Pa. | 39 |
| Harrison, Wm., Utica, N.Y. | 10 |
| Haynes, C. B. & Co., Richmond, Va. | 138 |
| Heppie, C. J. & Son, Philadelphia, Pa. | 77 |
| Hext Music Co., Denver, Colo. | 103 |
| Hayes Music Co., Toledo, O. | 133 |
| Harger & Elish, Dubuque, Iowa. | 50 |
| Houck, O. K., Little Rock, Ark. | 13 |
| Houck, O. K., Memphis, Tenn. | 181 |
| Hopkins Bros., Des Moines, Iowa. | 190 |
| Hough, Thos. C., Minneapolis, Minn. | 64 |
| Household Fur. Co., New Bedford, Mass. | 14 |
| Household Fur. Co., Providence, R. I. | 48 |
| | |
| Indiana Phono. Co., Indianapolis, Ind. | 68 |
| International Cor. Schools, Seranton, Pa. | 104 |
| | |
| Jacot Music Box Co., New York City. | 231 |
| Jenkins, J. W. & Sons, Kansas City, Mo. | 687 |
| Johnson, Iver Sptg. Goods Co., Boston, Mass. | 471 |
| Johnson, Iver Sptg. Goods Co., Fitchburg, Mass. | 69 |
| Johnson, Iver Sptg. Goods Co., Worcester, Mass. | 29 |
| Johnson, D. S., Seattle, Wash. | 126 |

[ENCLOSURE]

-3-

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|---|------|
| Kann, S. & Co., Washington, D. C. | 37 |
| Klapp-Link Phono. Co., Indianapolis, Ind. | 170 |
| Klein & Heffelman Co., Canton, O. | 213 |
| Knoxville Type. & Phono. Co., Knoxville, Tenn. | 22 |
| Koehler & Chase, Oakland, Cal. | 208 |
| Koehler & Chase, Seattle, Wash. | 5 |
| Koehler & Hinrichs, St. Paul, Minn. | 189 |
| Lyons, Jas. I., Chicago, Ill. | 216 |
| Lyon & Healy, Chicago, Ill. | 1152 |
| Montenegro-Riehm Co., Louisville, Ky. | 185 |
| Mackie Piano & Organ Co., Rochester, N. Y. | 40 |
| Magruder & Co., Nashville, Tenn. | 52 |
| McGreal Bros., Cincinnati, O. | 2 |
| McGreal, L. E., Milwaukee, Wis. | 238 |
| Minnesota Phono. Co., Minneapolis, Minn. | 21 |
| Minnesota Phono. Co., St. Paul, Minn. | 220 |
| Musical Echo Co., Philadelphia, Pa. | 34 |
| Myers, W. A., Williamsport, Pa. | 85 |
| Nashville Talk. Mach. Co., Nashville, Tenn. | 16 |
| National Auto. Fire Alarm Co., New Orleans, La. | 86 |
| Neal, Clark & Neal Co., Buffalo, N. Y. | 43 |
| Nebraska Cycle Co., Omaha, Neb. | 435 |
| Niehaus & Dohse, Dayton, O. | 59 |
| O'Dea, James K., Paterson, N. J. | 28 |
| Omaha Bicycle Co., Omaha, Neb. | 170 |
| Pardee-Ellenberger Co., New Haven, Conn. | 318 |
| Penick, R. L., Montgomery, Ala. | 22 |
| Penn Phono. Co., Philadelphia, Pa. | 260 |
| Peoria Phono. Co., Peoria, Ill. | 30 |
| Phillips & Crew, Atlanta, Ga. | 100 |
| Pittsburg Phono. Co., Pittsburg, Pa. | 190 |
| Pommer, A. J. Co., Sacramento, Cal. | 149 |
| Powers & Henry, Pittsburg, Pa. | 185 |
| Proudfit Sptg. Goods Co., Ogden, Utah. | 57 |
| Quincy Phono. Co., Quincy, Ill. | 70 |

[ENCLOSURE]

-4-

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| Rapke, Victor H., New York City. | 33 |
| Reading Phono. Co., Reading, Pa. | 106 |
| Rees Optical Co., San Antonio, Tex. | 52 |
| Reynolds, W. H., Mobile, Ala. | 30 |
| Rickard, V. A., Schenectady, N. Y. | 240 |
| Regina Co., New York City. | 15 |
| Robitaille, C., Quebec, Canada. | 5 |
| Rose, John, Astoria, N. Y. | 32 |
| Ross & Som, W. H., Portland, Me. | 155 |
| Scattergood Co., A. T., Providence, R. I. | 20 |
| Samuels & Bros., J., Providence, R. I. | 89 |
| Schmelzer & Sons Arms Co., J. F., Kansas City, Mo. | 575 |
| Silverstone Talk. Mach. Co., St. Louis, Mo. | 28 |
| Sidles, H. B., Lincoln, Neb. | 110 |
| Southern Cal. Music Co., Los Angeles, Cal. | 187 |
| Southern Talk. Mach. Co., Dallas, Tex. | 95 |
| Spokane Phono. Co., Spokane, Wash. | 102 |
| Standard Talk. Mach. Co., Pittsburg, Pa. | 232 |
| Stoll Blank Book & Sta. Co., Trenton, N. J. | 12 |
| Sykes, John, Trenton, N. J. | 5 |
| Talking Machine Co., Birmingham, Ala. | 65 |
| Talking Machine Co., Pittsburg, Pa. | 65 |
| Talking Machine Co., Rochester, N. Y. | 72 |
| Texas Phono. Co., Houston, Tex. | 260 |
| Thorne, W. H. & Co., Ltd., St. John, Canada. | 57 |
| Utica Cycle Co., Utica, N. Y. | 85 |
| Varick Co., John B., Manchester, N. H. | 112 |
| Vim Co., Chicago, Ill. | 108 |
| Walz, W. G. Co., El Paso, Tex. | 52 |
| Wahl, A. B., Indianapolis, Ind. | 90 |
| Wanamaker, John, Philadelphia, Pa. | 20 |
| Wanamaker, John, New York City. | 11 |
| Waitt & Co., M. W., Vancouver, Canada. | 30 |
| Ward, Montgomery, Chicago, Ill. | 1 |

[ENCLOSURE]

-5-

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| Wardell, Thos., Lowell, Mass. | 50 |
| Wells Phon. Co., Philadelphia, Pa. | 225 |
| Whitsit, Perry B., Columbus, O. | 170 |
| Western Talking Machine Co., Philadelphia, Pa. | 170 |
| Western Talking Machine Co., St. Louis, Mo. | 25 |
| Werner, Wm., Easton, Pa. | 35 |
| Weymann & Son, H. A., Philadelphia, Pa. | 240 |
| Williams, R. S. & Sons Co., Toronto, Canada. | 400 |
| Wells, Alfred, New York City. | 46 |
| Wurlitzer Co., R., Chicago, Ill. | 38 |
| Wurlitzer Co., R., Cincinnati, O. | 449 |
| | |
| Youmans, Geo. R., Waycross, Ga. | 120 |
| Youmans & Leete, Savannah, Ga. | 22 |

Victor
Victor Talking-Machine Company

203
DIRECTORS
ELPHIDGE S. JOHNSON
President
LEON F. DOUGLASS
General Manager
LOUIS F. GEISLER
Supt. Factory
CHARLES E. HADDON
Supt. Sales Dept.
ALBERT C. MIDDLETON
Secretary
ALBERT WATKINSON
Asst. Secretary
THOMAS S. PARVIN



CABLE ADDRESS
SOUNDOK
—
GRAND PRIZE
HIGHEST AWARD
ST. LOUIS EXPOSITION
BUFFALO EXPOSITION
PORTLAND EXPOSITION
—
HORACE PETTIT
Supt. General

CAMDEN, N. J. U. S. A. Oct. 2, 1907.

Mr. W. E. Gilmore,
c/o National Phonograph Co.,
Orange, N. J.

My dear Mr. Gilmore:

I saw a copy of your new contract recently, and I think it is truly excellent and most exhaustive, but I note you have neglected to tell the Jobber and Dealer when he might wash his windows.

Would you be good enough to mail me a copy of this contract for my desk, as I shall no doubt wish to steal a number of ideas from it in the future? I shall, of course, be delighted to reciprocate at any time.

Trusting this finds you well, happy, and prosperous, I beg to remain,

Sincerely yours,

Louis F. Geisler
General Manager.

LFG/FH

D
1907

Phon. - Ediphone

Messrs. Walker..McChesney..Pelzer..Brown..W. L. Eckert..H. Eckert..
Leonard..H. Miller..Frost..Moran..Leeming..Hird..Youmans..Baldwin..
Ireton..Weber..Aiken..Redburn:

Hereafter Mr. Timms, of the Commercial Department, will have charge of all Business Phonographs in use in the Office Building, and it will be his duty to see that they are kept in proper running order, as well as to make any changes or repairs necessary on them. He will also attend to the collecting of dictated cylinders, supply shaved blanks etc. As some of the machines now in use are perhaps not in good order, you will please permit Mr. Timms to examine the one you are using, and make any changes or repairs necessary. You will also please arrange at once to dictate all letters, memos. and matters of other nature possible, to the Commercial Machine, instead of to a stenographer, as we desire to have all work of this kind transcribed in the department which we have fitted up for this purpose, thereby relieving the regular stenographers of all the work possible. If there is any further information you desire in connection with the operating of the Commercial Machines, or the method of sending cylinders back and forth, having proper carbon copies made etc., kindly consult Mither Mr. Timms or Mr. Hibbard.

10/15/07.

C. H. Wilson.

Copies to Messrs. Gilmore..Durand..Hibbard..Timms.

MEMORANDUM
COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.

Orange, October 21, 1907. *J. W.*

Mr. W. E. Osborne, Pres't.,

Dear Sir:-

Mr. Osborne will hand you this letter which was dictated on a Phonograph at my house, and you will understand for this reason that I am not signing it.

While I am down to Atlantic City it occurs to me that you could greatly assist me by taking up a few matters which, under any consideration, would require your personal attention but which would appear much more natural for your attention under the circumstances that I am away.

In the first place the results of my experiments with Mr. Hibbard's machine and the demonstration of the Graphophone at the Business Show in New York City leads me to believe that a diaphragm of a larger size than the present one we are using would probably bring better results, and I would like to see this tried at any rate. Even if a new Phonograph was to be built, we should try the new diaphragm on the present model machine so as to have the diaphragms conform with any new model that we brought out

MEMORANDUM
COMMERCIAL DEPARTMENT
NATIONAL PHONOGRAPH CO.

Sheet #2--Mr. W. E. G., Pres't. 10/21/7.

to protect us from making too many changes from the old to the new machine.

I would be greatly obliged if you will take this matter up with Mr. Weber, personally, without reference to the writer.

Another matter that has been on my mind to speak to you about for some time is the condition of our Training Dept. which was left on the 3rd floor at 31 Union Square when we moved to 10--5th Ave. I have talked with Mr. Pelzer several times about the bad condition of these old offices, and we have discussed improvements from time to time, but for some reason there has been nothing done. The room should be fixed up very tastefully for these girls who visit us in large numbers to learn about the Business Phonograph. We have representative stenographers from all the large offices visit us before plants are put in, and if we are not successful in impressing them with the seriousness of our proposition and the general tidy appearance of our Training Bureau we are operating at a great disadvantage. I will be greatly obliged if you will take this matter up in such a way as not to have it appear that I am making a complaint.

Yours very truly,

Wesley B. Deane
Manager.

HCD/c.

W. E. GILMORE, President

JOHN E. HELM, Vice President

A. WHITE, Secretary and Treasurer

HARRY M. FRIEND, General Manager



The Essex Press

TAE, Inc. - Org.

ART PRINTERS
STATIONERS
BINDERS



TELEPHONE THIRTEEN

POST OFFICE BOX 466

TWO HUNDRED AND SIXTEEN MARKET STREET
NEWARK, NEW JERSEY

Nov. 21st - 07.

Mr. WM. E. Gilmore,
Pres. Nat'l Phonograph Co.,
Orange, N. J.

Dear Sir:

At your early convenience we would be pleased to confer with you regarding the making of a contract in renewal for the coming year, for the printing and stationery supplies for your companies.

We would suggest the advisability of taking up this matter at this time in order to secure favorable contract prices for paper supply etc.

Thanking you for your kindly consideration of our request, we remain,

Very truly yours,

THE ESSEX PRESS,
H. M. Friend
GEN'L MGR.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

C. H. WILSON,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.

A. WESTE,
SECRETARY.



THOMAS A. EDISON

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

L. C. N.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

10 FIFTH AVENUE, NEW YORK

LONDON.
PARIS.
BERLIN.
BRUSSELS.
SYDNEY.
MEXICO CITY.
BUENOS AIRES.

CABLE ADDRESS
"ZNYOTIC, NEW YORK"

ADDRESS YOUR LETTER TO



Dec. 21, 1907

Mr. W. E. Gilmore, President,
Office.

Dear Sir:

Our advertisement will appear in January Weekly publications and February Monthly Magazines as per the list below. This only differs from our regular schedule in running single pages and in dropping Harper's, Century and Scribner's, to which Mr. Edison objected as being too high class for Phonograph advertising.

| | | | |
|------------------------|----------|------------------|------------------|
| Ainslee's | 1 page | 202.50 | |
| American Magazine | 1 page | | 252.00 |
| Argosy | 1 page | | 300.00 |
| Asso. Sunday Magazines | 1/4 p. | 450.00 | |
| Collier's | 1/2 p. | 720.00 | |
| Cosmopolitan | 1 page | 362.88 | |
| Everybody's | 1 page | | 500.00 |
| Ladies' Home Journal | 1/4 page | | 1000.00 |
| Ladies World | 1/4 page | 315.00 | |
| Metropolitan | 1 page | | 200.00 |
| Munsey's | 1 page | | 500.00 |
| National | 1 page | 153.00 | |
| Pacific | 1 page | 72.25 | |
| Puck | 84 lines | 47.25 | |
| Red Book | 1 page | 212.50 | |
| Review of Reviews | 1 page | | 225.00 |
| Sat. Evening Post | 1/2 p. | | 900.00 |
| Woman's Home Companion | 1/4 p. | 405.00 | |
| World To-Day | 1 page | 95.62 | |
| Youth's Companion | 1/4 p. | 504.00 | |
| | | <u>\$3540.00</u> | <u>\$3877.00</u> |
| | | 554.00 | |
| | | <u>\$3894.00</u> | <u>3694.00</u> |
| | | | <u>\$7771.00</u> |

10%

Very truly yours,
NATIONAL PHONOGRAPH CO.,
Advertising Department.

L. C. McFisvey
Manager.

[ENCLOSURE]

CHALKINS & HOLDEN CH

45 EAST 23RD ST. NEW YORK

*Ben
Electric
Jan. 21, 1901*



The EDISON PHONOGRAPH

Makes home the most entertaining spot on earth. You can give a dance with an Edison Phonograph, supply music at a reception, accompany a singer, entertain the children, break the ice at a party, while away pleasantly a few hours when you are alone.

Put it to the test. Go to the nearest Edison store and hear the new model with the big horn. Let the dealer play for you some of the NEW FEBRUARY RECORDS. (Out January 25th.)

If you already own an Edison remember that to get the fullest enjoyment out of it you must keep up with the new records.

Ask your dealer or write to us for the new catalogue of Edison Phonographs, THE PHONOGRAM, describing each Record in detail; the SUPPLEMENTAL CATALOGUE, listing the new February Records, and the COMPLETE CATALOGUE, listing all Edison Records now in existence. Records in all foreign languages.



NATIONAL PHONOGRAPH COMPANY, Lakeside Av., Orange, N. J. *Thomas A. Edison*

[Columbia]

Silmon.

You better order ^{read} to John all.
the 23 or 4 standard ^{*} types of
graphophones - want to
obtain a patent Every practicable
way of changing from
a 100 to a 200 thread -

then when they steal our
threads we will have a
fight on the patent

Edison

**National Phonograph Company Records
Correspondence, Foreign (1907)**

This folder contains correspondence and other documents relating to the marketing and supply of phonographs and cylinder records in Europe, India, Australia, Mexico, and elsewhere. Most of the items are letters to and from William E. Gilmore, president of NPCo. Some of the letters were written while Gilmore was in Europe in June and July. Other correspondents include Walter Stevens, manager of the Foreign Department; Thomas Graf, managing director of NPCo, Ltd., and the Edison Gesellschaft; and chemist Jonas W. Aylsworth. Among the items for 1907 are letters pertaining to prices and management, the condition of phonographs shipped to Europe, and the quality of records manufactured there. Also included are letters regarding a proposal to increase the capital of NPCo, Ltd.; the outfitting of a new record manufacturing plant near London; competition with Columbia and Victor; and ongoing litigation with Edison-Bell.

Approximately 10 percent of the documents have been selected. Among the items not selected are correspondence regarding weekly and monthly remittances and accounts, two reports on business conditions in India, and a financial report on the competing phonograph companies in Britain.

Jan. 11, 1907.

J. R. Schermerhorn, Esq., Asst. Gen. Mgr.,
National Phonograph Co.,
London, England.

Dear Sir:

I have received your cable of the 5th, reading as follows:

"As per my letter December 19th, I think it would be advisable transfer Berlin factory to selling company immediately. Send the bills to me. Cable when mailed."

and I cabled you to-day as follows:

"Just returned Chicago. Invoice covering transfer Berlin factory plants goes tomorrow's steamer."

From this you will understand that the delay in answering was due to my absence in Chicago.

I am enclosing herewith a bill amounting to \$35,000.00, which is a little more than the actual account as shown on the books at this date. The actual amounts are as follows:

| | |
|-----------------|------------------|
| Factory Plant, | \$19,443.57 |
| Wax Department, | <u>12,742.22</u> |
| Total, | \$32,185.79. |

Of course, these figures may vary somewhat from their books, as the accounts have not yet been finally agreed. I have therefore decided to make the amount a straight \$35,000.00, subject to any adjustment that may be necessary later on. I had hoped that

2. 1/11/07.

J. R. Schermerhorn.

we could await the final inventory as of December 31, 1906, in order that we could reach a balancing point and so have made the transfer absolute, plus whatever might be necessary subsequent thereto, but in view of your cable I have decided to send the bill at once.

Yours very truly,

WBG/IWW

President.

Enc-



ENREGISTREMENTS :
NEW-YORK N.Y.U.S.A.
BRUXELLES
PARIS
BERLIN
LONDRES

Adr. Télegr. RANDOMLY-BRUXELLES

National Phonograph Co

Usines de Bruxelles :
55, QUAI DU HALAGE

Record-Making
URINES :
ORANGEN J.U.S.A.
BRUXELLES
PARIS
BERLIN

TELEPHONE 5589

Brussels, January 15th 1907

Mr. W. K. Gilmore
President
The National Phonograph Company
O R A N G E N

Dear Sir,

I expected to be able to send you ere this the financial statements of our European plants for the fiscal year of 1906, but due to Mr Bushlers visit to the Paris sales department, our books will be closed only on his return, or in approximately 2 or 3 weeks, at which time I shall also forward you a general manufacturing statement of the various plants, showing details of cost of records, moulds, amount of records manufactured, amount of records shipped, etc.

The Brussels factory earnings would make a much better showing on our books, but for the fact that records were invoiced at frs 0.50 (§ 0.10) instead of Frs 0.70 (§ 0.14) during the first 6 months of the year, the 3 to 1 London Sales Department exchange arrangements, which were charged against the factory account and amounts to a big item shows up to our disadvantage. The Brussels plant also supported 2 recording Department expenses, namely the London and Paris departments, at which the heaviest expenses are incurred. The Paris recording department expenditures alone amounted to Frs 70,000.

Over 2 million records were shipped from Brussels during 1906, and

Brussels, January 15th 1907 1907 .

the average cost price of each record including all recording expenses, cost of moulds, in fact including all purchases appearing on our books is frs 0.46 (§ 0.09) and the actual sales price is 0.70 (§ 0.14) ^{plus} nearly 1 million more records were shipped in 1906 than in the preceding year, which shows a marked progress in the sales.

The cost of each mould manufactured at Brussels talent expenses not included is Frs 9.82 (§ 1.96) and including talent expenses frs 44.95 (§ 8.99) each mould.

The wax manufacturing cost is Frs 0.44 (§ 0.09) per American pound.

I am glad to advise that the British records are also springing into favour for the past 4 months and the prorata of sales has considerably increased over the American selections.

In order to develop our industry in Europe, there seems to be a developing department in need, as there are many countries, at which our industry is hardly known, such as Sweden, Norway, Denmark, Italy, Spain, Austria, Holland, Portugal, Switzerland, Algeria, Russia, etc, countries, which are practically undeveloped and which undoubtedly if properly worked, would bring no mean addition to our sales and we should not wait to develop these countries until our competitors take a firm hold.

The managers of our established sales departments can hardly be expected to do that work as they have their hands full in developing business in their own country, therefore I suggest a special department and I am certain that such a department would soon pay for itself.-

In countries such as Holland, Switzerland, Algeria; Spain; Austria and Italy, no more selections need to be recorded, as our French, German

NATIONAL PHONOGRAPH C^o

Brussels, January 15th 1889 .

SHEET N^o III

Spanish and Italian Catalogue would suffice.

Hoping to soon have the pleasure of seeing a department such as roughly above outlined, I beg to remain

Yours very sincerely
THE NATIONAL PHONOGRAPH COMPANY


European Superintendent

Telegrams, & Cables, "RANDOMLY, LONDON"
Codes used, A. I. A. B. C. COMMERCIAL.
& LEECHES AND HURTING'S

TRADE
Thomas A. Edison.
MARK.

Record - Many.
Telephone
NY 5050 HOLBORN.

FACTORIES.
GRANDE N.J. USA.
BERLIN.
PARIS.
BRUSSELS.

IN REFERENCE ADDRESSES OF COURTESY AND
THE INDIVIDUALS AND EDISON THEIR OFFICES

NATIONAL PHONOGRAPH CO. LTD.

EDISON PHONOGRAPHS & RECORDS.

25, CLERKENWELL ROAD, LONDON, E.C. 1.

THOMAS A.
EDISON'S
PHONOGRAPHS,
GOLD MOUNTAIN
RECORDS,
PROJECTING
KINETOSCOPES,
ORIGINAL FILMS,
BATTERY FAN
MOTORS,
PRIMARY BATTERIES.



London & Co. February 6th, 1907.

W. E. Gilmors, Esq.,
Orange, New Jersey, U.S.A.

Dear Sir,

I enclose you herewith copy of letter which I have written to Mr. Miller, and as indicated therein you are going to have the same trouble in America that we have had here if we can be guided by the 72 records from the March list that were sent us. If you do get into it you have my sympathy. I am getting batches of letters daily complaining and stating that they have discontinued purchasing our records, and the decided decrease in the sales is quite conclusive evidence that these statements are not overdrawn. These letters come not only from users but from dealers as well. The factors are writing us, but of course are compelled to continue ordering although they are ordering in decidedly reduced quantities.

I shall probably be compelled to tell Riehl to discontinue the use of ebonite unless America can cable some positive remedy.

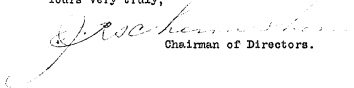
I was beginning to fear that Riehl was not properly making the wax, or possibly that there was some carelessness in the manufacture but the fact that American records turn out in the same way has caused me for the moment at least to banish that idea. If, however, you feel that Riehl is overlooking something,

N. P. Co., Ltd.

or, in other words, that you are not having serious difficulties in America then I would again recommend that some-one who is thoroughly conversant with the manufacture of the wax, as well as the manufacture of the records, be sent here, preferably, of course, Mr. Dodd, who I believe is thoroughly conversant with each and every operation.

I can only say to you that if the trouble continues for much longer we will have received such a set-back that I fear it will take a long while to recover if we ever do. Having the trouble with the records in addition to complaints regarding machines has not increased the standing of our product.

Yours very truly,


Chairman of Directors.

J.R.S./L.D.

[ENCLOSURE]

February 6th, 1907.

Walter Miller, Esq.,
79, Fifth Avenue,
New York.

Dear Sir,

The trouble which we have had due to records wearing out quickly has not been overcome.

We have recently sent out our February list and complaints continue to come in. I have had some wear tests made here, and I find that many of the records begin to wear after being reproduced from 15 to 20 times, and they wear in the same manner as the samples which I sent you.

We yesterday received three different samples of the American March supplement and have started a wear test on them. The first record that I tried was No. 9482 "The Uhlan's Call". I had previously tested the Brussels-made record which showed signs of wear after 15 reproductions, and was very badly worn after 50 reproductions. The American record acted in almost identically the same manner, that is, after being reproduced 19 times there were distinct signs of wear, pieces had chipped out, and the surface underneath was the peculiar bright brown colour.

Now it is very evident that the material of which this record was made must have been almost practically identical to that used by Riehl, and inasmuch as we are having so many complaints here

[ENCLOSURE]

it occurs to me that the conditions cannot be otherwise in America.

It also further occurs to me that in making the wax from which this particular record was made, the hard ebonite concerning which you wrote Riehl was used, thereby causing it to wear unsatisfactorily, whereas if this is the first lot of this new material that you have used America may not have experienced the difficulties that have confronted us.

At any rate over here the situation is serious. We have had thousands of records returned, and there are thousands yet to come back which have been returned to dealers and factors, and more unfortunate still is the fact that we do not know how many records may be in the stock of dealers, factors, this office, and the factory that will prove unsatisfactory.

Since starting to dictate the above I have considered it expedient to cable America and have cabled as follows :-

"ZYMOTIC NEW YORK MILLER American March Samples
"have some defect Brussels Rollings (Samples sent) you"
which cable I trust will be perfectly clear.

Riehl does not seem to be able to discover the cause of the trouble. It has been suggested to me that there may be sulphur in some of the ingredients, and that if such is the fact sulphur would produce this result. Firstly, because, naturally, sulphur rises to the surface of the record, and secondly, because the friction caused in reproducing the record would create static electricity which would cause the sulphur to rise to the surface, thereby disintegrating the texture of the material.

I have taken a number of these defective records to an

[ENCLOSURE]

Analytical Chemist who is to report thereon, and I would suggest that immediate tests be made in America to the end of discovering which particular ingredient is responsible for the defect, although I am quite satisfied it rests entirely with the ebonite.

Most important, however, is - What is to be done to overcome the difficulty? So far as I can remember when carnauba was used results were satisfactory, therefore would it not be wise to revert to its use?

I am also making wear tests of records of other makes, but these have not as yet been concluded, although they may be in time to advise you of the results by this mail.

If you have learnt anything please cable me inasmuch as if we are to retain any of our business radical improvements must be effected at once. Innumerable dealers have discontinued purchasing our records, and factors' orders have consequently very materially decreased.

Yours very truly,

Chairman of Directors.

J.R.S./L.D.

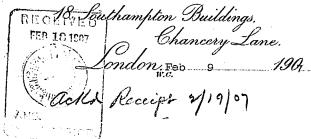
W.E.G.

G. Croxford Marks
S.A.S.A.C. U.S.A.
Consulting Engineer & Patent Expert.

TELEGRAPHIC ADDRESS: RECONSTRUCTION, LONDON.

TELEPHONE NO. (LONDON 836, HOLBORN,
BIRMINGHAM, 656,
MANCHESTER, 4272.

—AND AT—
13, TEMPLE STREET, BIRMINGHAM.
30, CROSS STREET, MANCHESTER.



W. E. Gilmore, Esq.

Dear Sir,

carbon copy of the original of which
I herewith enclose a letter written by Mr. Marks to you, which by
mistake was sent to Mr Feighton of Leeds and I believe you have Mr
Feightons, I should be exceedingly obliged if you will destroy this.

Yours faithfully,

R. W. Baker
Private Secretary

[ENCLOSURE]

Copy

February 8th, 7.

W. E. Gilmore Esq.,
National Phonograph Company,
Orange, N.J., U.S.A.

Dear Mr. Gilmore,

I have seen from the books at Clerkenwell Road that my surmise as to the growth of our machine sales with a lack of corresponding growth of record sales in this country during 1906, is confirmed.

We sold in 1905, 34,188 Machines and 1,343,426 Records, and in 1906, 56,089 Machines and 1,746, 382 Records. While other makers' Records are being largely sold it is clear they are taking the place of those we should sell with our machines.

There are a large number of other make machines being sold in this country and there are, as I have already reported, far more Records being sold by others at 1/- each than we are selling. There is a colonial trade we do not get that other makers are enjoying. Our Record if reduced to 1/- would mean that we should sell three times as many I am persuaded, As we should not increase the dead charges on the manufacture by increasing the number made we should get far more profit than now, even by reducing the price to 1/-, and we should sweep the market as the public can be made to prefer the "Genuine Edison" if it is not too dear.

An English manufacturer would be best and I am obliged to

[ENCLOSURE]

W. E. Gilmore Esq.

2.

mention this fact again as I had to again appear before the Income Tax Assessor yesterday to meet a report that has been sent to the authorities that we are making a profit in America and not paying proper Income Tax on the goods sent for sale to this country by a "branch office called a separate and distinct Company". I argued pretty strongly against this and said we had nothing to do with profits made in U.S.A., any more than any other firm of merchants who bought foreign made goods. I believe Edison Bell have started that inquisition but I think we shall come out properly.

It is only another argument in favour of meeting the prejudice which certainly exists today against certain foreign made goods, by starting a proper business here on the lines I have perhaps too often suggested to you.

Pardon my reiterating the point, but I feel bound to tell you my convictions when I see how others get what we ought to have.

Yours faithfully,

L. Cropper Marks

[FROM WALTER H. MILLER]

Record - Moulding

*Copies
to W. E. G.*

W. H. Miller

February 19, 1907.

Mr. J. R. Sohermerhorn,
London, England.

Dear Sir:-

Since receipt of your cable of February 6th, stating that our March samples had the same defects as the samples which you have sent us, I have made several wear tests on the March Supplement, and the results of these tests have turned out quite satisfactory with one exception. I reproduced 4 or 5 different records among which was "The Ullian's Call," which you stated in your letter of February 6th, showed wear at 15 reproductions. This latter selection was reproduced 80 times and the wear was hardly perceptible, but the exception I speak of above was a Xylophone solo, No. 9453. This showed signs of wear at 25 reproductions, and it had a reddish look that was easily visible without the aid of a microscope, but it was in no way as bad as the samples which you have sent us.

I have referred your cable and also the samples to Mr. Aylsworth and Mr. Dodd, and I had a long conference with them yesterday afternoon, and made experiments for you last night until 11 o'clock.

The difficulty we are having is to produce the same results that you are getting, that is, to have the moulded records show the same kind of wear producing the reddish tinge where the reproducer has worn the record. Of all the various tests we have made, moulding in different ways and different combinations, we have been unable to produce this reddish effect, with the exception of the Xylophone record mentioned above.

I have advanced the theory to Messrs. Aylsworth and Dodd that it is strictly a moulding condition and not the wax that causes this defect, as in samples you have sent I find that on one half of the cylinder the wear has shown red, while on a portion of the other half, where the dents are equally as deep, the wear is very slight and does not show red. It seems to me that this is positive proof that there is some defect in the process of moulding. We are today making some records and are using the water in the extracting jacket very cold to see if this second chill, which the record would get under this condition, would chill the

Sheet No. 2:

February 19, 1907.

record so that it produces the extra hardened, thin scale which is quite evident is the trouble. I will write you the result of this experiment by the next steamer.

It is also my opinion that if the wear on the records was not so visible by turning this reddish color your complaints would not be so numerous. As you know, if a record is slightly worn and can be seen plainly the party using it will, no doubt, think it sounds worse than it really does. I brought up this point to Mr. Aylsworth and he recommended that we add lamp black, and we find that it improves the wear of the record considerably. In the several tests we have made you can get at least 20 more reproductions out of a cylinder doped with lamp black, and we think that at the same time this will assist in keeping down the reddish color which is produced by wear. The lamp black should be added in proportions of 4 pounds to 150 ebomite.

Your letter giving the analysis of the wax has been received by Mr. Gilmore and referred to Mr. Aylsworth in regard to the sulphur which you say exists in the surface of the cylinder. Mr. Aylsworth seems to be rather doubtful as to the truth of this condition, but is considering it and may make further analysis on the same subject.

In regard to your reference to doing away with ebomite and using carnauba would say that our tests have shown that carnauba does not wear nearly as well as the composition we are now using. However, in summing up the whole situation I think the best thing to do at the present time is to have Mr. Reihl add the lamp black in the proportions given you, which will certainly do no harm to the composition and will give better wearing results, and at the same time have him look into his extracting jackets and see if they have not been running them entirely too cold, as the water during the winter would be much colder than it would be in summer if he is pumping it out of that canal, which I think he makes a practice of doing.

I will send a copy of this letter to Mr. Reihl in order to save time, and if I find that our test of extracting with cold jackets produces the inferior results I will cable, and you will receive it before this letter.

Yours very truly,

Mgr. Recording Department.

WBM/SJR.

Telegrams & Cables, "RANDOMLY, LONDON."
Codes used. A.I. A.B.C. COMMERCIAL.
LEISERS AND HURTHIGS

TRADE
Thomas A. Edison
MARK

Phon. - Many.
Telephone
N° 5050 HOLBORN.

FACTORIES.

ORANGE N.J. USA.

BERLIN.

PARIS.

BRUSSELS.

NATIONAL PHONOGRAPH CO. LTD.

EDISON PHONOGRAPHS & RECORDS.

25, CLERKENWELL ROAD.

IN REPAYING ADDRESS THE COMPANY, NOT
THE INDIVIDUAL, AND REMITTED TO THE OFFICE

*10/10/10
12/10/10
12/10/10
12/10/10*

London, E.C.

February 19th, 1907.

THOMAS A.

EDISON'S

PHONOGRAPHS.

GOLD MOULDED

RECORDS &

PROJECTING

KINETOGRAPHS.

ORIGINAL FILMS.

BATTERY FAN

MOTORS.

FRISKAY BATTERIES.

W. E. Gilmore, Esq.,
Orange, New Jersey.

Dear Sir,

As our weekly reports will show the sale of machines has been practically nothing for the last three weeks, and from what I can learn while there has been a falling-off in the business as a whole our sales have suffered particularly due to the machines being unsatisfactory, concerning which I have written you on several occasions.

The "Gem", of course, is the one that has excited the most criticism, and I pointed out the defects.

The "Standard" has suffered because of bad assembling and being noisy.

We have a considerable stock of machines here, and unless there is a decided improvement we will not require any from America for some time to come.

I would strongly recommend that no more of the old style "Gem" machines be sent here, that is, that immediate arrangements be made to correct the principal defect which is in the winding ratchet and pawl.

I sent Mr. Weber a sample of the way one of our factors is correcting the defects, and there is no reason why a somewhat

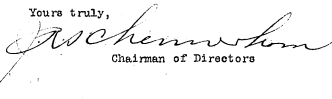
N. P. Co., Ltd.

similar simple method cannot be adopted at Orange, and this could be put into effect without in any way interfering with the production

So far as "Standards" are concerned it is simply a matter of proper inspection and proper assembling. Inherently they are all right.

The same remarks would apply to the other European offices and without a doubt to the American trade insomuch as you must have had criticisms there in view of the very unsatisfactory impression made here.

Yours truly,



Chairman of Directors

J.R.S./L.D.

[FROM JONAS W. AYLSWORTH]

Mr. W. E. Gilmore:

Regarding the trouble they are having with the wear of records in Europe, Mr. Miller in his letter has told you of the things that we went over together; but since seeing him I have thought of the following, and believe Mr. Schermerhorn should be advised of these points as well.

While I do not believe that the sulphur as found by the chemical examination made by Mr. E. F. Harrison of London accounts for the trouble, yet it strikes me that the amount he found is very large, and if correct might indicate the source of trouble, though in a different manner from that which he indicated. I would suggest that the investigations in this respect proceed with the particular ebonite that Mr. Riehl is using; but before waiting for these results I would suggest that Mr. Riehl increase the amount of precipitated copper used in treating the ebonite to remove the sulphur, to say double what he now uses, and, whether there is more sulphur or not, it will not hurt the product. It is possible that there may be sulphur compounds in the material ~~that~~ ^{soluble} which are not ~~miscible~~ with the wax and that possibly float on the surface, so that when a mould is dipped in the wax any of these products which might be on the surface would naturally coat the mould first; or, in other words, there would form on the inner surface of the mould a thin shell, which I can readily imagine would peel off or scale off in the manner observed in these defective records. These records seem to be softer than our product and it is possible that some such effect as this is taking place. Also, in remelting one of those records I noticed a considerable amount of ~~bothing~~ or foaming took place, which indicates that the material is not cooked enough, or possibly, that it has attracted ^{sufficiently}

(2)

some moisture since the record was cast. Possibly he is running into a grade of ebonite different from that we are using, which may take considerable longer cooking to bring the same result.

I would also suggest that the stearic acid Riehl is using be tested for percent. of oleic acid or iso-oleic acid, and if over 5% is found of the two together or of either one separately that a better grade be used in place of the one containing the excessive oleic. Too much oleic acid in the stearic would make the composition softer and give impaired wear, and it also is dangerous from the tendency to attract moisture.

I believe the best plan to overcome the troubles is to do all of these things, both what I have suggested and what Mr. Miller has written, and we will be pretty sure to hit it right in some of them.

I intend to investigate this matter further, and anything more that I find out I will communicate to you promptly.

2/20/07.

[FROM PETER WEBER]

NATIONAL PHONOGRAPH COMPANY.

Feb. 22, 1907.

Mr. J. R. Schermerhorn,
National Phonograph Co. Ltd.,
London,
Eng.

Dear Sir:-

We beg to advise that we have received the Excelsior machine and find it to be a very fine little machine.

As regards the Gem, we have given this a great deal of attention and have made some changes, which we believe will make a better machine out of it than the Excelsior. In the first place, we have designed a new pawl with a double tooth, arranged so that as soon as the pawl engages with the ratchet, it will draw in. We have also made arrangements so that the gears of the winding shaft will be in mesh during winding without maintaining an inward pressure on the crank. This is accomplished by cutting a recess $1/64$ " deep on the end of the winding shaft, this recess forming a bearing in the hole of the body after the crank is pushed in and the slight shoulder of the recess holds the shaft in place; and as soon as the hand is taken from the crank the shaft will center itself in the center of the body and the spring will push it back.

We found that the tension of the spring was stiffer than necessary, requiring a great deal of pressure to hold the shaft in place during winding, which no doubt was the cause of the gear's getting out of place, or rather out of mesh during the winding and placing excessive strain on the pawl and ratchet. With this provision in the winding shaft and the new pawl, we have overcome the chief trouble.

The next point is the noise, and we are now making a fibre gear, which will make the Gem as quiet as any of the other machines. The first machine, which we have assembled with this gear, is really more quiet than the excelsior and with our latest diaphragm the reproduction is far ahead of the Excelsior machine. Until we get the fibre gears out, we are equipping machines with the old brass gears and special care is being taken that they are properly fitted and drawn perfectly true and fairly quiet.

We are now making the die for the new pawl and expect to have it ready within two or three weeks. In the meantime, we will use the old pawl with a good spring properly shaped, and the pawl studs will be driven in the winding gear.

We found that on most of the pawls, which have been made during the past two months, the studs were pushed into the gear loosely and the fastening depended solely on the rivet head.

NATIONAL PHONOGRAPH COMPANY.

Feb. 22, 1907:

Mr. J. R. S. #2-

For the past two weeks we have not assembled one single Gem machine but have taken them from stock and stripped them, reassembling the same with new winding shafts, with new pawl studs and new pawls and springs. We have also put in new gears, where the machines were found to be noisy.

Another thing we have done is that we have made the pawl stud $1/32$ " larger in diameter to allow for larger shoulder and the part, which goes through the winding gear, is made heavier so as to make a good driving fit.

I have instructed Mr. Hird to ship you one hundred (100) of these machines to replace some of the old defective ones and I think that you might as well return a lot of the machines, that you have in stock or that may have been returned to you so we may change them over.

I am sending you one of these Gem machines and winding shaft, which has a recess cut out, and also spring shaft equipped with a new pawl. This machine is exactly the same as the 100 machines we will send, and is as we shall make them for a short time. The spring shaft has the new pawl, which we expect to put in use within the next three or four weeks, or possibly within two weeks; and just as soon as we can turn them out we shall replace the old pawls.

In replacing the pawls it will be necessary to furnish a new stud, and, with a slight increase in the diameter of that part which goes into the winding gear, it can easily be fitted; in fact- these pawl studs should be a good driving fit. This part is also made longer so as to form a good strong rivet head.

I am also sending you one Gem fitted with the fibre gear and new pawl; in fact, the machine is a model as we intend to make it in the future- just as soon as we can manufacture these fibre gears. You will note that the pawl spring is made of spring wire in place of the flat stock and it will hold out as long as the machine itself. Kindly examine this machine, test it and let me have your opinion.

Yours very truly,

Gen. Supt.

P.S.- Would further state that we find a tendency to blast on quite a few of the French records that you have sent over, and would suggest that you adopt the same system which we are going to adopt here as regards reproducers for testing Master records. Our new diaphragm will enable us to make reproducers very uniform as regards tone quality, and in future we shall select all reproducers, which are to be used by Mr. Walter Miller, ourselves; and will try to use exact duplicates as near as we can make them for testing our duplicate masters.

NATIONAL PHONOGRAPH COMPANY.

Feb. 22, 1907.

Mr. J. R. S. #3-

The idea is to give Mr. Miller reproducers, which have a slight tendency to blast so that his reproducers will hold every part of the Master; and then we shall have no difficulty to adjust our reproducers to hold all records.

In carrying on our experiments with copper diaphragms we have found that when we have a reproducer of very good tone quality it would blast on either a very high note of a selection, or on a very low note; and a peculiar thing about this is that a stiff or sharp diaphragm will hold a very high note that has the tendency to blast; and a very sensitive diaphragm which has a good, full tone, will blast on a high note but will hold on a very low base note.

For example, we have during the past few months tested all of our diaphragms to hold on the very high notes of Selection #9400, using the regular 14" horn. A very large percentage of these same reproducers would blast on the low notes of Selection #9418 (Cello- Simple Confession).

Selection #9400 has been made over so as to relieve us of adjusting every reproducer, which we make, to two or three very high notes that have been badly recorded and thereby spoiling the tone quality of all other selections.

Of course it must be admitted that the first diaphragms we made were too sensitive, and therefore not satisfactory; neither was the diaphragm from the last die, which we made, O.K., although it did give much better results and satisfaction. The diaphragms in the two (2) reproducers we are sending you with the two (2) Model Gem Machines are made with our new die. This diaphragm has the outer edge turned up and is held between the rubber cushions in such a manner that we can make the tension more or less by adjusting the clamping ring.

We now are fitting up a Testing Room, which will be free from all noise, and are locating it on the 5th Floor of Concrete Bldg. #17, where we can tune up every reproducer by means of the clamping ring.

I believe that it would be a good idea if you would hand over some of these reproducers to your Recording Department to be used in testing records for blast; and, while I am suggesting this, it has occurred to me that it would be well to send you one half dozen of these reproducers with the two (2) Gem Machines and the winding and spring shaft.

I am also enclosing herewith two (2) of the new diaphragms and in the future we are going to make the seats in the reproducer cups a little wider, and also make the lower edge of the clamping ring wider to give a better bearing to the diaphragm. As you will note, this diaphragm is made in such a way that the lower

Form 210

NATIONAL PHONOGRAPH COMPANY.

Feb. 22, 1907.

Mr. J. R. S. #4-

side will have a bearing about 1/16" in from the outer edge, and the upper side has this bearing on the extreme outer edge. In this way we can get any desired tension on the diaphragm by turning the clamping ring more or less.

Yours very truly,

Gen. Supt.

FW/CJM

[FROM WILLIAM E. GILMORE]

Form 20

NATIONAL PHOTOGRAPH COMPANY

Photo - Naupf.

April 10, 1907.

Thomas A. Edison, Esq.,
Fort Myers, Florida.

Dear Mr. Edison:

Some little time ago I received a personal letter from Mr. Schermerhorn, dated Feb. 23rd, which I enclose you herewith. I did not answer it for some time after its receipt, inasmuch as I wanted to consider the proposition, and then when I learned that Mr. Buehler was returning I decided not to send it along to you until I had had an opportunity of discussing the European situation fully with him. Mr. Buehler got back from Europe a week ago last Saturday, or March 30th, and of course I have not had an opportunity to talk to him until the last day or two, as I have been South and did not return until Monday.

The fact of the matter is that the situation, in the British Isles particularly, is becoming quite grave, and the competition of the Edison-Bell and Sterling Companies, who have had on the market for a long time past records that sell for one shilling, or 25 cents U. S. currency, is cutting into our business materially. In addition to this, as you will remember, each of these companies lengthened their records, and they have used it as a good talking point and naturally increased their business. In addition to this the Edison-Bell have materially improved their product, and of course, as you are well aware, the difference in price figures very very materially with the English public. Our price to the public, as you will remember, is 1 s. 6 d., or practically 38 3/4 cents U. S. currency, and our price to dealers is one shilling, or practically 25 cents U. S. currency, and to the jobber nine pence, or practically 18 cents U. S. currency. The Edison-Bell sell to dealers at 7 pence, or practically 14 cents U. S. currency, so you will see that in handling our records the dealer makes 6 pence, or 12 1/2 cents U. S. currency; on the Edison-Bell he makes 8 pence, or 10 2/3 U. S. currency and on the Sterling 4 pence, or 8 cents U. S. currency; and the jobber makes 3 pence on our record, or practically 6 cents U. S. currency, 2 pence or 4 1/2 cents U. S. currency on Edison-Bell and 2 pence, or practically 4 cents U. S. currency on Sterling.

Now it seems to be the opinion of Messrs. Schermerhorn, Graf and Buehler that in order to turn the trade in our favor we have got to meet the lower prices of the Edison-Bell Co., as if we do so we will get all the trade coming back to us, to their detriment, for it is acknowledged by the trade generally that our records are superior both as to rendition and manufacture, in fact, better all around. As Mr. Buehler explains it, the masses in England are

The Sterling Co. sell to dealers at 8 pence or 16¢.

4/10/07.

Thomas A. Edison.

NATIONAL PHONOGRAPH COMPANY
 poor as a whole, and when they can buy them from Edison-Bell records for 75 cents, whereas it costs them 75 cents for two of our records, they can only see the number and price, without regard to quality, merit or anything else.

On the other hand, Mr. Graf feels that it is not at all necessary to cut prices on the Continent; in fact, he is very much opposed to reducing prices in Germany, and I presume that the same remarks would apply elsewhere on the Continent. It is a question whether we will ship any of the English records abroad at any rate, other than instrumental pieces, as of course the vocal records would not go on the Continent.

The next question is, how are we going to handle it? At the present time the factory at Brussels is charging the National Co., London, 7 pence, or practically 14 cents f.o.b. London for their records, and if we reduce the price naturally we have got to sell to jobbers at 6 pence, or 12 1/2 cents. Now the records cost the Brussels factory, with general expense added, a little over 8 cents per record, delivered in London, and the difference between this price and the price to factors would therefore be 4 1/2 cents. Of course it is impossible to operate the Brussels factory except at a profit. The output of the Brussels factory for the fiscal year ending December 31, 1906, was practically 2,000,000 records, and their gross output for the entire year could be made 4,000,000 at least, so that if they only turn out 2,000,000 per year and receive 10 cents for the records they should make, with a profit of 2 cents, \$40,000.00, leaving 2 1/2 cents as the profit to the London office for the sales that they make to factors. You, of course, understand that the bulk of the business of the National Co., Ltd., London, is with factors, but even at that they would make on the sale of 2,000,000 records a gross profit of \$50,000, and there is no question but that they could double this if the price was reduced to one shilling.

In thinking over this proposition I have in mind the new 200-thread record that we will put on the market some time during the year and which will, of course, supersede the present record eventually.

Then again, if we do reduce the price to one shilling in the British Isles, it will be a terrific blow to our competitors, so this wants to be considered very carefully. Under the present scale of prices London purchases these records, as I have stated above, at practically 14 cents f.o.b. London from the Brussels factory, and they sell to factors at 9 pence, or 18 cents, a profit of 4 cents. They sold the last calendar year a total of 1,740,000 records, at a gross profit of \$69,600.00. Now if they could double their sales to, say 3,500,000 records at 2 1/2 cents gross profit, the gross profits would be \$87,500.00, and we would keep the factories going continuously as well as keep the working force going continuously in the selling end of the business, so that it is not a bad proposition. Then the most vital thing we have got to think of is that with this increased production it is natural that the cost of the records to Brussels will be considerably less. The records are costing us here in the United States \$8.39 per 100, packed and delivered, or in other words, this \$8.39 is Labor and Material plus General Expense. Therefore, with cheaper labor Brussels should do better than the price of 8 cents that I have

3. 4/10/07.

Thomas A. Edison.

mentioned above. Of course the ~~costs~~ ~~of~~ ~~the~~ ~~territory~~ ~~that~~ we must further consider is the shipment of these records into other English territory, such as Australia. The last letters that we had from our man there were to the effect that the novelty of the long record turned out by the Sterling Co. had not been found to be such an important factor, and their business was decreasing rather than increasing. On the other hand, we must consider our English business as a whole, and there is food for thought.

Another important subject to be considered, and on which Mr. Scherhorn wants instructions, is the question of moving the Brussels plant into England adjacent to London, which subject has already been brought up and discussed by us on several different occasions.

I am also advised by Mr. Buehler that our facilities in Berlin are not sufficient, and that is a question that must be taken up and decided, and it is a grave question as to whether we do not want to purchase our own plant, rather than rent. However, this must be decided after we look over the situation.

Another question that must be decided, and that at once, is our going into other territory such as Austria and Russia, to say nothing of Norway, Sweden and other countries which you and I have discussed from time to time in the past.

Another subject that will require careful consideration and immediate attention is the Kinetoscope and Film business, which Mr. Buehler informs me has been growing in leaps and bounds, not only in Germany but all over Europe, and we are getting mighty little of it. We have got to establish a plant. The little side shows are as numerous, or even more numerous, in the principal cities of Germany and France than they are with us, and we are getting little, if any, of the business, simply due to the delay that ensues in getting goods into Germany.

Mr. Buehler has brought back with him a summary of the European business for the fiscal year ending December 31, 1906, and the net profits and losses are as follows:

PROFITS

| | | |
|--------------------------|-------------|--------------|
| London, | \$22,943.94 | |
| Berlin Sales Dept., | 14,603.43 | |
| Berlin Factory, | 40,661.61 | |
| Brussels Record Factory, | 58,093.66 | |
| Brussels Wax Factory, | 21,895.83 | |
| Total, | | \$155,198.67 |

LOSSES

| | | |
|--|-------------|---------------|
| Paris Sales Dept. | \$20,938.85 | |
| Paris Factory Dept. | 1,772.83 | |
| Total, | | 22,711.68 |
| Net manufacturing and selling profits, | | \$132,486.99. |

4. 4/10/07.

Thomas A. Edison.

In explanation of ~~SAVO~~^{BRUSSELS}~~WAX~~^{WAX} Factory" account, would say that this is kept separate, the wax being sold to the Brussels and Berlin factory plants at a profit.

In addition to the above, there is something like \$25,000.00 in profits to which the various plants are entitled, as during the first part of the year all records were charged to Orange, and subsequently charged out to the different Selling Departments or Factory Accounts by us here at a profit, which naturally belongs to the factories abroad. Then against this \$132,466.99 above mentioned is a certain amount of depreciation, with which I will not burden you in this letter but which can be explained when you get back.

Now this is not a bad showing, when you come to consider the previous years, which, as you will remember, showed losses. We are beginning to realize that we have got to put all the Plants, Selling Departments and everything else on their own feet, and of course the Paris end needs considerable up-building. As to whether they are going to show a profit this year is problematical. They are starting off considerably better than they did under the Kaltenecker regime, but nevertheless they need some help there, advice and some other strong things to bring this business up to a profitable basis.

Now I suppose you have been thinking while reading all this that Gilmore has got something in mind. Well I have. I do not see but that I have got to go to Europe so as to study over the situation and decide what is to be done. There is no reason why I cannot do the trip inside of eight weeks, and of course I can arrange matters in such a way that everybody will come to me in London, prepared to go into all and everything.

I should not have written you so fully and bothered you with this situation, but inasmuch as Mr. Weber tells me you are not coming back until the end of the month I want you to give it considerable thought, and then after you have made up your mind as to what you think ought to be done, telegraph me your opinion, as of course I have got to arrange everything in good shape here before I leave, and I want to cable Mr. Schermerhorn as soon as possible so that he will know I am coming. I do not intend, of course, to go over until you get back, but I want to make all my arrangements so as to leave as early in May as I can, if I am going at all. I do not see but that everything will run along smoothly here for that period of time, and further than this, it seems to me that I ought to spend a little time with Mr. Graf at any rate, so as to give him my opinion as to how he ought to do things. He wants some help the same as anybody else, and they all seem to want to get it from headquarters.

Let me hear from you just as soon as you conveniently can.

Yours very truly,

[ATTACHMENT]

Cost price of Brunswick Records \$ 8.77 per 100 ^{delivered} in London.
 Selling " " " " 14.00 " "

Cost price of Berlin Records \$ 7.87 per 100 ^{not packed}
 Selling " " " " 14.50 " "

London selling prices to Jobbers \$ 18.00 per 100
 " " " " dealers 25.00 " "

Berlin selling prices to Jobbers \$ 20.00 per 100
 " " " " dealers 26.25 " "

Edison Bell prices to Jobbers - \$ 9.50 per 100
 " " " " dealers - 14.00 " "

Racell Hunting " " Jobbers - 17.00 " "
 " " " " dealers - 16.00 " "

[ATTACHMENT]

Recard - Manuf.

April 14th 1907

J. Schurz.

I leave here on 23rd I think you
better make arrangement to go to
Europe - We will discuss prices
rewards before you go = We must look
out of the effect on us here and
take into consideration the new
recard.

Edison

CABLE ADDRESS: "ZYMOTIC, NEW YORK"
A.L.A.B.C. COMMERCIAL, LIDGER'S, HUNTING'S AND PRIVATE CODES USED.

TELEPHONE:
1352 GRAHERGY.

TRADE
Thomas A. Edison
MARK

FOREIGN DEPARTMENT
OF THE

NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.

FACTORIES:
ORANGE, N.J. U.S.A.

31 UNION SQUARE, COR. BROADWAY & 16TH STREET.

NEW YORK, N.Y.

LONDON, PARIS, BERLIN,
BRUSSELS, SYDNEY,
MEXICO CITY.

EDISON PHONOGRAPHS
AND RECORDS.
EDISON PROJECTIVE MICROSCOPES
AND ORIGINAL FILMS.
EDISON PRIMARY BATTERIES
AND FAN MOTOR OUTFITS.
BATES AND EDISON WRITING MACHINES.

New York, U.S.A.

April 11th, 1907.

gum

Mr. W. E. Gilmore, President,
National Phonograph Co.,
Orange, N.J.

Dear Sir:-

I desire to call your attention to conditions now exist-
ing in India, and beg to submit the following:-

Our business in India during the year 1905 was \$44,145.95:
in 1906 it dropped to \$13,836.91, showing a loss for that year of
\$30,309.04. Nearly one half of this business was done by our
principal jobbers in Bombay, Messrs. Valabhdas, Lakmidas & Company,
and their business dropped from \$18,652. in 1905, to \$7,844. during
the year 1906.

Naturally, when I found this business falling off, I
set about to ascertain the cause. For several years the only
things we could offer the Indian trade were our Phonographs and
Records of instrumental and vocal music made in the States. We
were, however, on an equal footing with our competitors, in this
respect.

In order to supply the demand for Records of native in-

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.C.,

-2-

strumental and vocal music, our principal jobbers and dealers in India purchased our Blanks in large quantities, and made their own native Records. Duplicates were then made, and supplied to the trade. The finished product was very crude, indeed, as was proved by some of the samples forwarded to us.

In the past year, however, conditions have changed very materially. The Gramophone Typewriter & Talking Machine Company of London, and the Beka Company of Berlin, have sent their experts to India, and recorded a large number of selections; and our largest Jobbers, Messrs. Valabhdas, Lakmidas & Co., Bombay, have been appointed agents by both these Companies.

Other Talking Machine Companies are about sending their people into this territory, to take native Records, and I believe that if we are to do anything at all in the way of business in India, it is imperative that we send our people to India, unless we wish to surrender this very valuable territory to our competitors.

It would be impossible for us to undertake this work without co-operating with our principal jobbers, who understand fully the situation, and are in close touch with the talent, as all have made native Records for their own trade. I appreciate that it will not be an easy matter, as it is one of the most difficult fields we have to handle in the foreign trade. Indian merchants are extremely jealous one of the other, and competition is very keen. It has been reported to us from time to time that some

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.G.,

-3-

of our Jobbers in India would supply goods to dealers, and only retain for themselves the 2% cash discount which we allowed, provided funds accompanied the order.

If you conclude to send an expert into this territory, it is very necessary that he be accompanied by a tactful man from our office, to look after the commercial end of the business, - one having had experience with the several Indian jobbers.

As to the cost, this would be a rather difficult matter to figure out, but I am sure that we could send our people, and obtain from 800 to 1,000 native Records, at a cost not to exceed \$13,000. I have based my calculations as follows:-

| | |
|---|------------------|
| Fare to Bombay and return, including side trips; two men, | \$ 1,800. |
| Cost of talent, and recording 1000 | 5,000. |
| Selections, | 500. |
| Hotel expenses, four months, | |
| (I am assured that first class accommodations can be secured from \$2.00 to \$2.50 per day) | |
| Freight on Record Outfit and Blanks, | 80. |
| Duty | 200. |
| Fitting up Recording Outfit, | 200. |
| Rent, | 1,000. |
| Salaries, two men, | 2,500. |
| Announcer, Stenographer, and incidental expenses not covered by above, | 1,620. |
| Total, | \$13,000. |

If two experts are sent add \$1,800
I am sure the above estimate is ample to cover expenses.

When you consider the field, and the amount of business we could do if we had something we could give these people, I am sure you will agree this is a very important matter, and one worth considering.

The largest amount of business we have received in one year from India was, approximately, \$50,000. Now, if we can give these people something in the way of native Records, there is no

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.G.,

-4-

reason why we should not do \$100,000. worth of business per year, if not more; whereas, if we allow our competitors to get ^{control} it, it will only be possible for us to do a very limited business.

I am advised by an Indian merchant in New York that the cold season in India covers a period between November 1st and April 1st. After that, the season alternates, hot and rainy. It would therefore be necessary for our people to leave New York soon after September 1st, to get established and ready for work by the first of November.

I enclose herewith several extracts from communications received from our Indian clients, and, while some of the reports are conflicting, I believe as a whole they will give you a very good idea of the conditions existing. In these several communications, knowing these Indian merchants as I do, I believe they have placed the amount, ^{to be paid for talent} at a high figure, with an idea of getting a good big "rake-off" for themselves, provided we made use of their services.

Mr. Beramji, resident partner of Messrs. Dadabhoy & Co., New York, is a native Indian, and a man of considerable experience in matters of this kind; and he assures me that the best talent can be procured at a very much lower figure than that given by some of our correspondents.

Apologizing for this lengthy report, and awaiting your comments, I remain,

Yours very truly,

Walter Stevens

Enclosure.

W. S.

Manager Foreign Department.

Record - Manuf.
June 10, 1907.

W. E. Gilmore, Esq., President,
National Phonograph Co.,
Orange, N. J.

Dear Sir:

I have to report as follows on results of trip in Europe.

I found that the records made at Brussels factory were the ones which were bad and that those made and used in Germany were very little complained of. The worst trouble is experienced in England. Records being made at the time I arrived and tested in Brussels were O. K. for wear, but the same records shipped to England and tested were very bad. This was a significant observation and led me to look for the trouble in the hygroscopic nature of the composition. I found that Berlin had been stocked with material made previous to the appearance of the trouble. A glance at the stearic acid they were using at Brussels indicated the source of the trouble. We then went to the manufacturers, both of which are in Brussels, and found that they were supplying the Brussels plant with single press stearic. Without further investigation, decided to have all the stock of stearic acid on hand returned and replaced with double-pressed material, free from oleic, and specified that all future material should be free of oleic and made by saponification process.

By way of confirmation of cause of the trouble, had analysis made by a chemist in Brussels, who found 7% oleic in the stearic they had previously furnished, while in our standard sample which I brought over with me he found only trace (his method). Now since our method shows 2.3% in our standard sample, the bad lot must contain about 10% (our method). Mr. Riehl proceeded right off to make wax with the new good stearic. The good stearic makes a harder wax and admits of the use of more ebomite (mountain pitch) and this compensates for the higher price which the double-pressed stearic makes (1¢ per lb.). The records made from this composition were fine, even when put in cold moist air for twelve hours.

The material was further improved by increasing the lamp black, cautiously. Did not want to advance too far in this direction till further tests were made in America.

Mr. Riehl had a large amount of wax on hand which was of the poor wear, and this was experimented on with a view to making it O. K., and with complete success, but they were instructed not to use more than 10% of the old in new work.

Also found that their wax was too high in congealing point, and this was remedied. High congealing acts hand in hand with excessive oleic to cause water absorbing properties.

I found all other factory conditions at Brussels and Berlin highly satisfactory, and Mr. Riehl deserves great credit for the high state of efficiency and good management displayed at both places.

Mr. Graf, Riehl and myself saw the Schleiman Co. and impressed them with the importance to themselves, as well as the Phonograph Co., of furnishing us with a uniform material of the proper quality. They claim that they will be able to do so and will be able to furnish us up to 50 tons per month, and very soon 120 tons. We could not get very satisfactory information from Schleiman about the manufacture of montan pitch; they are very secretive.

We did not think it advisable at present to close contract for year's supply, as we can have all we want without contract. There was a strong effort on the part of Schleiman to increase price, but they weakened at end. Part of this conversation was carried on in German, so I did not get it quite clear as to whether the price for the pitch will be old price or a price later determined on when a contract is made.

Mr. Graf learned accidentally from a jobber in Hamburg that Schleiman has an American experimenting on wax composition at his factory. His name I think is Van Deventer, and he is Jim White's man. He is a fellow who has seen T. A. E. about cobalt propositions. Graf has no doubt reported this information more clearly. It is of not much consequence, except that it warns us to keep Schleiman in the dark as much as possible about our wax.

Montan acid, the refined product from montan wax, we will probably use in the new 200-thread composition, but it contains about 2% of a hydro carbon, which it is necessary to remove. I took this matter up with Schleiman's chemist, Dr. Hertz, and he said they could not easily remove it, but that they would experiment some on it. They state that they can supply about one-fifth as much of this material as they do of the pitch. They are shipping us a small lot for our experiments, also some of their "B" material, which is a compound they have made with the view of furnishing us with a finished wax. We will give this a trial and if promising will perfect it ourselves, as it would not be well to be dependent on any concern for our finished product.

Through Graf we had a consultation with a Berlin chemist, Dr. Frank, who is a specialist on brown coals, montan wax and asphalt. He is a Jew, but a very modest one and quite free of Jew traits, and very well informed and experienced. From him we got a great deal of value about the montan wax business, that to me explains a great deal of the trouble we have had with pitch in the past. He states that there are at least five producers of montan wax from brown coal, that Schleiman is one and that he controls the product of another; that the coal must contain 5% (wet weight) of the wax to pay to work; that it was formerly extracted by benzine, but that now benzole is universally used; that the results are better when they extract the wet coal than when they previously dry it, as in drying oxygen is absorbed and much of the contents are lost through insolubility in the benzine. The brown coal averages 10% montan wax. The miners are experienced and cull out the good material, which occurs in strata. Specimen samples were shipped to us by Dr. Frank which contain 12% wet and 24% dry; also samples of so-called white coal; also a sample of fine montan pitch compounded with 25% of asphalt; also some samples of asphalt extract. That Schleiman compounds his

(3)

montan pitch with various residues; that one concern ~~is~~ their coal successfully by steam; that the yield of refined montan acid by steam vacuum distillation of montan wax is a great deal more than 20%, as indicated by Schleiman; that in order to produce pitch in quantities schleiman does there would have to be a very much larger market for the refined montan acid, which is now the case.

Next we went to one of the concerns who extract montan wax who are independent of Schleiman. They are also Jews (Klienburgh & Co. of Dinsburgh). They have been experimenting to obtain a grade of material to equal Schleimans, but so far have not succeeded. They will send us some of the montan wax to experiment with. Their price is 68 M. per 100 K. After Dinsburgh went back to Brussels and found everything satisfactory.

I advised Riehl to either hire a chemist or have frequent tests made outside of his raw material, which latter he will do.

Respectfully yours,

A. Schmitt

CABLE ADDRESS: "ZYMOTIC, NEW YORK"
* ALL A.B.C. COMMERCIAL LETTERS, NUMBERS AND PRIVATE CODES USED.

TELEPHONE,
1352 GRAMERCY.



FOREIGN DEPARTMENT
OF THE
**NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.**

31 UNION SQUARE, COR. BROADWAY & 16TH STREET.

NEW YORK, N.Y.

FACTORIES:
ORANSE, N.J., U.S.A.

EDISON PHONOGRAPHS
AND RECORDS.
EDISON PROJECTIVE MICROSCOPES
AND ORIGINAL FILMS.
EDISON PRIMITIVE BATTERIES
AND FAN MOTORS, OUTFITS,
BATES AND EDISON NUMBERING MACHINES.

LONDON, PARIS, BERLIN,
BRUSSELS, SYDNEY,
MEXICO CITY.

New York, U.S.A.

June 11th, 1907.

PERSONAL.

Mr. W. E. Gilmore, President,
National Phonograph Co., Ltd.,
London, E.C.

Dear Sir:-

I must apologize for delaying somewhat my report covering work accomplished in Mexico, which was due to an accumulation of current work which required my attention.

I reached New York (coming up from Mexico City by way of El Paso) May 31st. I returned by that route in order to permit me to call upon our jobbers at Torreón, Chihuahua and Ciudad Juarez.

Immediately upon my arrival in Mexico City, I called at the office, and found it well equipped, with a fairly good organization. Mr. Cabañas has as his assistant, Mr. Melgarajo, a young Mexican who was in my employ at the New York office for about a year. This young man attends to most of the detail work, as Mr. Cabañas is obliged to spend considerable time on the outside, looking after the general business.

Mr. Cabañas enjoys a good reputation in Mexico City, and has excellent connections, in a business way. He is very seriously

W. E. G.
6/12/07
W. E. G.

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.G.,

-2-

handicapped in his work, on account of his inability to procure capable help. The average clerk in Mexico City is very unreliable, and extremely incompetent. I am therefore arranging to send a good man from the New York office down to him in the very near future, and I hope to be able to send other help as needed.

I found that he had a fairly good bookkeeper, the best he could obtain, but his accounts needed systematizing. I arranged with Mr. Johnson, an Auditor who has audited their accounts from time to time, to go through the books with Mr. Cabañas and the bookkeeper, and thoroughly systematize same. After this is done, I am sure the business will run more smoothly.

In going through their Accounts Receivable, I found several accounts overdue, and before I left, some of these accounts had been collected, and one against the Espinosa Phonograph Company, which is really the Columbia Phonograph Company, and which had been standing open for some months, I instructed Mr. Cabañas to place in the hands of his attorney for collection, which was done. Mr. Smith of the Columbia Phonograph Company, who is acting in the capacity of Assistant Manager of the Espinosa Phonograph Company, called at the Mexican office of our Company with regard to this matter, and was very anxious that we should take back their old stock of Edison goods. This, of course, I refused to do. He would give me no promise as to when the account would be paid, and I told him that unless the account was closed on or before the 15th of May, we would be obliged to place the account in the hands of our attorney for collection. By way of excuse, he stated that they had a very large

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.G.,

-3-

draft to meet in favor of the Columbia Company, and I came to the conclusion that if the Columbia Company could not trust the concern, it would hardly be a safe thing for us to do.

With regard to the collection of accounts in Mexico, would state that I found, in talking with several managers of large concerns, among others, the Remington Typewriter Company, and the Singer Sewing Machine Company, that it is next to impossible to collect accounts promptly at the expiration of thirty days. Even the largest concerns insist upon taking sixty, and sometimes, ninety, days. I advised Mr. Cabañas that it would be necessary for him to do a little educational work along this line, as we could not conform to this custom.

In my judgment, there is no better field than the Republic of Mexico for the sale of our goods, either in this country or abroad. This applies, particularly, to Mexico City. This city has a population of nearly half a million. About four-fifths of the population are very poor people, and are hardly in a position to purchase anything in the way of luxuries. The remaining one-fifth, however, are people in fairly good circumstances, and seem to have plenty of money, which they spend very freely. Competition is, naturally, very keen along all lines, and this applies particularly to Phonographs. The Victor and Columbia people recognize that this is a good field, and each of these concerns have four stores in different parts of the city, which are run by natives, but, I understand, under their direct supervision. Pathé Frères, also, have a

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.G.,

-4-

large establishment, and are doing a very large picture machine, but, I believe, very little Phonograph business.

Heretofore, the price of all cylindrical Records has been \$1.00 Mexican Currency. The Columbia people, however, have recently reduced the price of their cylindrical Records to 75¢, and have also made a corresponding reduction on disc Records.

I had spent but a very little time in the city before I found that our efforts to protect dealers and jobbers, by throwing all business into their hands, was not appreciated, as these people were carrying very small stocks, simply using our office as an accommodation, - in other words, the Mexican office was doing a retail business at Jobbers' and Dealers' prices, and the trade as a whole received very little attention from these Jobbers and Dealers, the sale of our goods being greatly retarded on that account.

In my judgment, it was imperative that a retail store be immediately opened, and Mr. Cabañas was of the same opinion. We at once cast about to find a choice location. We found there was likely to be vacant a good store on the main street, and after conferring about three days with the owners and ^{their} lawyer, we finally succeeded in getting a lease, beating out about a dozen other applicants. This store has a frontage of 18 feet, and a depth of 130 feet. The lease was drawn for three years, with the privilege of five years. The rent for the first three years is \$700.00 per month, Mexican currency, and \$800.00 per month for the following two years.

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.G.,

-5-

This may strike you as being a very high rent, which it certainly is, but smaller places in the same neighborhood are bringing \$1000.00 per month, - in fact, that was the price asked for this place.

In order to make the store attractive, it will be necessary for us to spend, approximately, \$3000.00, Mexican currency for shelving, redecorating the walls, repainting the front, putting in booths, and arranging to have an exhibition room, to have Phonograph concerts, installed in the rear. The store is directly under the Hotel Porter, and nearly opposite the Hotel Iterbede.

San Francisco Street is the Broadway of Mexico City; it is a short street, and no trip to the city is complete without passing through this street. On account of the people congregating there, rents are very high. A store could have been secured on one of the side streets at a much less rent, but the cost of refitting, clerk hire, and, in fact, all expenses, would have been the same, and the difference in rent will be made up by the amount of business done.

This store, I am sure, when completed, will reflect credit upon the Company.

Aside from the retail business, I am sure a large business can be done on the instalment plan. All typewriters and Sewing Machines are sold on this plan, and in a conversation with several managers representing these products, I find that nearly 75% of their business is done in this way, and their losses are very small. Mr. Cabañas is having a form of contract drafted by his lawyer for the sale of Phonographs on the instalment plan, which will hold in the Mexican Courts, and just as soon as this contract is completed,

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.C.,

-6-

he will send it to us for approval.

Naturally, our expenses will be large the first year, but the business is there, and if we expect to control it, we simply must go out and get it, and not leave the field entirely to our competitors.

Mr. Burns, the Manager of the Foreign Department of the Columbia Phonograph Company, has spent considerable time in Mexico City, as has also Mr. Lightner, of the Victor Company. Both Companies are giving this field special attention, and there is no doubt we should do the same.

Messrs. Burt and Werner have completed their work of Record taking, and Mr. Cabañas expects to issue a new list each month. They have made a number of very fine selections, and the first list we expect to be able to ship to Mexico within a week or two. These new monthly Records will be a great help to us, and will greatly stimulate business.

Returning to the States, my first stop after leaving Mexico City was at Torreón. We have there as a jobber the Warner Drug Company, who are the most enthusiastic Phonograph people I have ever met. Mr. Warner, who has the general managing of the business, his partner tells me, "talks Phonographs if a man comes in to buy a box of pills". They have a young lady whose whole time is devoted to running the Phonograph, and the machine never ceases from morning till night. They have a printing establishment which they run in connection with their business, and dodgers are gotten out every day, a man being employed to distribute this matter two

NATIONAL PHONOGRAPH COMPANY
- FOREIGN DEPARTMENT

W.E.G.,

-7-

hours each day on the principal street.

Theirs is largely a mail order business, and they have a standing semi-monthly order for 65 Machines and 5000 Records. Their business is constantly increasing.

I also visited our Jobbers, Messrs. H. Nordwald & Co., at Chihuahua. These people are large furniture dealers, and do a large business.

I was greatly disappointed, upon calling at Ciudad Juarez, to find that Mr. Walz, who is our Jobber there, does not carry a single machine or Record in stock, all goods being drawn from his El Paso store as required. Upon speaking with his people there, they informed me that the initial order recently forwarded to him for his Juarez store had been sold in Mexico, and that goods were being drawn from their El Paso store. One of his clerks in Juarez stated that there was no reason why they could not do a very good business, by carrying a stock in Juarez. I was disappointed in not seeing Mr. Walz, but he had left for Mexico City prior to my reaching the border. Mr. Cabañas, however, will meet him in Mexico City and go over the situation with him.

Taken as a whole, my trip was an exceedingly pleasant and profitable one. I am sure that the information gained will prove invaluable to me in the future conduct of the business of the Foreign Department, and Mr. Cabañas also assures me that he has been greatly benefitted by the time spent with him; in going over the affairs of the Mexican Company.

NATIONAL PHONOGRAPH COMPANY.
FOREIGN DEPARTMENT

W.E.G.,

-8-

I trust this letter will find Mrs. Gilmore and your good-
self enjoying best of health, and hoping that you may return safely
to us, I remain,

Yours very truly,

Walter Edstrom
Manager Foreign Department.

W. S.

C.

Cable Address: "ZYMOTIC, NEW YORK".
A. I. A. E. C. COMMERCIAL, CABLES, PRINTING AND PRIVATE CODES USED.

TELEPHONE,
1352 GRAHERY.

TRADE
Mark.
Thomas A. Edison.

FOREIGN DEPARTMENT
OF THE
NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.

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EDISON PROJECTING KINETOGRAPHS
AND ORIGINAL FILMS.
EDISON PRIMARY BATTERIES
AND FAN MOTOR OUTFITS.
BATES AND EDISON NUMBERING MACHINES.

New York, U.S.A.

June 17th, 1907.

PERSONAL.

Mr. W. E. Gilmore, President,
National Phonograph Co.,
25 Clerkenwell Road,
London, E.C.

*Recd
6/25/07
W.E.G.*

Dear Sir:-

Wednesday of last week I called at the factory, and spent some time with Mr. Edison, giving him a full report of the work accomplished during my recent visit to Mexico City.

Mr. Edison seemed very much interested in the matter, and approved the work being done there, - among other things, the establishment of a retail store.

I have just received a communication from Cabafias, advising that the Columbia Phonograph Co. had decided to open a branch in Mexico City, to look after the wholesale end of their business, and Mr. Smith, who has represented this Company with the Espinosa Phonograph Company, will act as manager. In future the Espinosa Company will only have the retail end of their business.

The business of the Foreign Department is keeping up well, and I enclose herewith a comparative statement for 1905, 1906, and March and April, 1907. By referring thereto you will note we show

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.C.,

-2-

an increase of \$198,795.91 in 1906 over business done in 1905, and for March and April, 1907, we show an increase of \$64,291.47 over March and April, 1906.

On June 1st we made a shipment to Australia covering, approximately, 8000 cases of Phonographs, Records, etc., and we expect to ship about 4000 cases by Steamer sailing from this port June 20th.

We have received the following remittances from Australia:

| | |
|-----------------------|-------------|
| April 23rd, | \$50,521.00 |
| May 15th, | 24,455.25 |
| June 14th, | 37,412.40. |

On May 1st we forwarded the factory \$60,000., and under date of May 22nd, we forwarded the National Company \$15,000.; to the Edison Company \$8,657.01, and to the Eates Co., \$925.27.

Our Bank balance today is \$43,934.45.

The average ^{Monthly} sales of the Australian office for seven months October, 1906, to April, 1907, inclusive, was \$35,342.97.

Trusting that this will find both Mrs. Gilmore and your goodself enjoying your usual health, and hoping that you may have a pleasant return trip, I remain,

Yours very truly,

Walter Stevens

Manager Foreign Department.

W. S.

C.

[FROM WILLIAM E. GILMORE]

Phow. - Manny.

June 21st, 1907.

Thomas A. Edison, Esq.,
Edison Laboratory,
Orange, New Jersey, U.S.A.

My dear Mr. Edison,

I have not written you since I left London for the simple reason that I have been unable to secure a satisfactory English stenographer in Paris, Brussels, or Berlin.

We got back here late yesterday afternoon; in the meantime I had sent for a stenographer to come from the London office.

LONDON. -

The matter of reducing the price of standard records was decided upon early in the month, and circular letters to the jobbers and dealers were issued as of June 8th. Under the terms of the English agreement 60 days' notice must be given of any changes, therefore this reduction in price will not become operative until August 8th when the price of records to the public will be 1/- or 25 cents. Since it has become known that we purpose reducing our price to 1/- it has created quite some excitement in the trade, particularly with our competitors. The only competitors that we have to really deal with in the British Isles are the Edison-Bell Company and the Russell-Hunting Company who manufacture what is known as the Sterling record. You will remember that both of these concerns made up last Fall a record that was longer than our record and they made up a great talk about it. We found, however, that the amount of matter on these records is about the same as on our records in nearly all cases, the exceptions being few and far between. It did not take long for not only the dealers but the public as well to learn this fact and the excitement created at the time has died out absolutely.

Mr. Schermerhorn and I talked with several of the jobbers relative to this change before it was made effective and the con-

sensus of opinion was that we would increase our business very materially. However, the future can only determine this. Generally speaking our records are considered the best on the market as to quality.

I referred in my previous letter to the new plant that we purpose taking on in England. We now have an absolute offer of the rental of the place at £750 or \$2750 on a lease of seven years, and thereafter at the rate of £800 or \$4000 per annum. I have not decided the matter absolutely and will not do so until we get back to London. The plant is very much larger than what we actually need, but it may be found necessary to utilise portions of it for other purposes later. If, for instance, we want to start manufacturing the storage battery in a small way a certain portion of the plant can be set aside for this purpose, and the buildings are so arranged that it would not in any way conflict with the phonograph business.

In addition to the above rental we, of course, have to pay the taxes which would be one-third of the amount of the rent: The property is located in a manufacturing district, and help can be obtained readily, although we will not be able to secure help as cheaply as we do in Brussels, still there is no doubt but that we can produce a larger quantity of records which would offset the increased wages that we would be compelled to pay: As I have already indicated to you the property is practically new; built of brick, and thoroughly up-to-date:

PARIS. -

The situation in Paris I find has improved somewhat, but the Managing Director, Mr. Galloway, has had the most strenuous time of it in straightening out the bad performance of his predecessor. I find that Mr. Kaltensecker, although designated as the Managing Director, acted more as a figure-head than anything else, and a man by the name of Rummel, who had charge of the recording plant; hiring the talent; orchestra; bands, and so forth; was also in charge of the ordering of all stationery and printing, as well as the advertising, and the prices paid for everything under his administration was in some cases 27/2 per cent higher than is now paid. You can, of course, draw your own conclusions. Mr. Galloway came into the business not at all acquainted with it, and it took some time for him to eliminate not only Rummel but all the subordinates that he had, and before he got through he practically cleaned out the entire office force and has started everything anew. There have been many complications as the French law is peculiar in that certain notices have to be given to all clerks, and the higher the position the different the notice. What I mean by this is that in some cases you can dispense with an employe's services upon

thirty days' notice, whereas in others the notice must be six months. Law suits are consequently very much in vogue here. However, the offices have been moved to new and much better quarters and everything seems to be going along very satisfactory.

It is our intention to reduce the price of records here, but it will not be on the same basis as the British Isles or elsewhere as we have, of course, the Authors' tickets to consider. You will remember that where we have to purchase these Authors' tickets for use in connection with vocal records the cost of each ticket is about four cents.

Mr. Graf was with us ten days ago, and we have gone over the situation most thoroughly, and it is his intention to begin an active campaign in the late summer so as to endeavour to get a larger portion of the business throughout France.

Mr. Waddington, who is connected with Morgan Hodges & Company, ascertained in some way that I was in town and wrote asking me to call. I was just leaving for Brussels and told him that I would look him up when I got back: I am hoping to see him early next week. I presume what he wants to see me about is the storage battery.

BRUSSELS. -

We left here for Brussels a week ago yesterday and stayed with Riehl to look over the manufacturing situation and such other matters as he had to take up on Friday and Saturday when we went on to Berlin.

The Brussels factory is not large enough to meet all demands in the busy season, and we are all certain that they will not be able to cope with the business later on. Mr. Riehl has a very clean nice factory there; in fact it would be a fine object lesson to our people in Orange if they could see it. Their production is about 5000 records per day at the present time, and this can be increased to 70,000 records per week. Of course this plant is utilized not only for records for the British Isles but for Belgium and Holland; and, in fact, for all other countries than Germany and Austria, and it is a grave question as to whether they will be able to take care of the business when the new reduced price becomes effective. This is another reason why we have got to get a larger plant; and as I have already written you we will doubtless have to begin the manufacture of new records under our patents in the British Isles, and there is no reason why they should not be all made there.

I intended to add above that at the present time we are paying

for the Brussels factories, the store-houses and offices in Clerkenwell Road, a total of \$7800 per year. Under the new conditions should we decide to take the plant at Willenden Junction above mentioned the total rentals with all taxes added will be in the neighbourhood of \$5000 per annum.

It is the intention to move the Book-keeping Department, and in fact all the offices of the new plant, and Mr. Graf will only have the London office for himself and such other employes as he may require there to look after the selling end of the business, and this additional expense should not exceed what we are at present paying.

The visit of Aylesworth was of great benefit to Mr. Riehl as he was working more or less in the dark trying to discover the cause of the trouble with records, which trouble we had also experienced in America about October of last year. Then again Mr. Aylesworth was able to proceed to the factories of the ebomite people to learn the method of production, and other information that he has obtained will no doubt prove most valuable to us in the future. He, doubtless, will have talked with you direct on this however; and as I did not see him before he left you will know more about it than I can write you.

BERLIN. -

We arrived in Berlin and looked over the general situation then. You will remember that when I left America I told you that Mr. Graf was firmly convinced that it would not be necessary to reduce our price on records in Germany, but since then he has had good reason to change his mind. The suit which we had against the Columbia Phonograph Company in Germany on the Desbriere patents was decided against us in the First Court. It has been appealed and we had a long conference with Dr. Seligson, our Attorney, who feels that on the appeal our case will be sustained, as the introduction of new evidence will, he feels satisfied, be beneficial to our cause. In any event we have decided that if the case is decided against us in the second instance we shall appeal to the Third and last Court where the prospects are that we can secure a final decision in our favour; at least this is the general opinion of both of our Attornies, the other being Dr. Katz. However, the decision being against us in the First Court; and the further fact that it does not seem judicious to hold up prices in all other countries than the British Isles has caused us to come to the conclusion that it would be far better to reduce the price to Mk. 1.00 or 25 cents in Germany. If we do so it will be a body-blow to our competitors, and Germany is full of them. True, they are not very strong in most instances but it is the small manufacturer that is doing more harm than the larger manufacturers.

Another very bad feature in Germany is the duplication of records. I am informed by our Counsel that there is no law in Germany that will prevent the duplication of records where the announcement has been eliminated, but in accordance with your policy I have instructed them to go into the matter most carefully, and I am hoping to take back with me a written opinion on the subject with suggestions as to what is the best course to pursue should this duplication become extensive. To-day it is being carried on by a few small concerns having no responsibility whatever. I was very strong on this point and I feel sure that the justice of our situation can be brought so forcibly to the attention of the Court that we will, in the end, be able to secure a decision that will prevent this sort of thing being carried on.

I find that the Gramophone Company did bring suit for duplication of their record some years ago, but the case was compromised. The fact the matter is the Zonophone Company were the culprits (then operated by F. H. Prescott). In the compromise the Gramophone Company bought up the Zonophone Company after a decision had been rendered against them (The Gramophone Company) in the First Court.

Graf has everything in shape in Germany and intends to take up and push actively the sale of our goods in Austria. Duties will compel him to increase his prices all around, but he feels certain that a large business can be done, and I have given him full authority to go ahead.

I find that the factory plant in Berlin, although sufficiently large for the purpose at the present time, will not take care of our future requirements, and as the lease expires in September of next year it is almost certain that the owner of the building will require the premises for his own use. The same remark will apply to the offices which are located in the same building, the latter lease expiring April 1st, 1908.

This again brings up the question of a manufacturing plant for Germany. We looked over a new and up-to-date factory with ample room for office purposes, and although no decision has been reached I will decide this matter before I return when I expect that all facts in connection with the amount of rental, length of lease; changes and so forth; will be put before me by the owner:

I have only given you the important matters that I have looked into and with which I know you want to be acquainted: There are a great many other things that we have taken up and settled which it is not necessary to write about.

Mr. Bergman, I learn; returned about June 1st, and was immediately ordered by his physician to go to Kissingen for a rest

of three weeks. I understand that he will get back next Monday although before I left Berlin they had no definite information. You doubtless can judge by his visit as to whether it was necessary for him to take a rest. He still continues to operate the entire plant; and it has grown very materially since I was last here. I did not, of course, have the pleasure of meeting him.

Yours very truly,

July 1st, 1907.

Mr. Peter Weber,
General Superintendent,
Edison Phonograph Works,
Orange, New Jersey.

My dear Weber,

I received a cable on the Continent about the 20th ult.
reading as follows :-

"All indications point to getting out new records next
January AYLESWORTH MILLER".

I am somewhat disappointed in this as I was under the impression
that we would do better than 1908 on getting out some of these
records, but I presume there are good and sufficient reasons that
can be explained to me when I get back. I assume that you were
consulted in the matter, however, and that you concur in what they
say.

I shall, of course, want to discuss this with you when I
get back.

Yours very truly,

President.

W.E.G./L.D.

G. Croydon Marks
ASICE. A.S.A.
 Consulting Engineer & Patent Expert.
 TELEGRAPHIC ADDRESS: RECONSTRUCTION, LONDON.
 TELEPHONE NO. { LONDON 236, HOLBORN.
 BIRMINGHAM, 655.
 MANCHESTER, 4272.
 -AND AT-
 13, TEMPLE STREET, BIRMINGHAM.
 30, CROSS STREET, MANCHESTER.

18. Southampton Buildings,
 Chancery Lane,
 London, E.C. 4. July 9th, 1907

W. E. Gilmore Esq.,
 Edison Laboratory,
 Orange, N.J., U. S. A.



INCREASE OF CAPITAL of N. P. CO. LTD.

Dear Mr. Gilmore,

As arranged, I am sending this letter to remind you of the position that arises in this country owing to the small Capital of the National Phonograph Company, Limited, and to give you the facts necessary to lay before Mr. Edison with a view to increasing the Capital of the Company to £50,000 from its present nominal amount of £5,000.

We have to make arrangements to increase the Capital as no lease will be granted us for the Works at Willenden except upon the condition that someone guarantees the whole rent, or that the Company becomes one of £50,000 paid up value. I have seen one of the Trustees owning the property, and he will not allow the Lease to be given to us unless I personally guarantee the amount of the rent and the true observance of the conditions of the Lease, but such guarantee to be removed when the Company has £50,000 paid up Capital.

I have explained that we are going to put in a great deal of machinery and shall have valuable stock, to pay for which will practically absorb the increased Capital, so that while the Company will have £50,000 allotted in Shares, there will not be available any more loose Cash at our Bankers than at present. This is accepted by the Trustees and he will allow us to have possession at once of the Works, and I am prepared to guarantee the rent as desired

To 7/2/07
 London, 1000
 Orange 182486
 dx 8017-15-2

by him, subject to the conditions that the guarantee is withdrawn and not held by him when the Capital has been thus increased.

It will be an easy matter increasing the Capital. All that we have to do is, to call a meeting of the Shareholders in this Office and pass an extraordinary Resolution authorising the issuing of the further Capital, which Capital is to be allotted in Shares as the Directors may determine. Two weeks later, another extraordinary meeting has to be called to confirm that previously passed at the original meeting, and then notice has to be sent of this increase to the Registrar of Joint Stock Companies, and the Tax paid on the additional £45,000 by way of duty. Then, after the issuing of the certificate that such has been increased, we can allot the Shares to the National Phonograph Company of America in payment of the debt standing against us to that Company for goods supplied, and, we can if need be allot other Shares to any other Company, such as the New Jersey Patent Company to cover patents or to cover machinery and plant that is to be supplied for the new Works. *Cheque must however*
Draw on each end of time limit up this amount.

This proceeding will make the ~~xxx~~ Company much stronger financially, and will also increase its credit when we go into Court, because it is always at the present time a matter of reproach that we are of so small dimensions and it is urged that we are, therefore, not a bona-fide trading Company, but simply the English Agency for an American undertaking, and therefore the American undertaking is liable to pay Income Tax on the ^{*they make no manufacturers*} profits of the goods sold by us in this country on their behalf. In this matter of the Income Tax we have heretofore been successful, but as you know an enquiry as to whether something further is not due for past profits is going on. This, however, will be

dealt with much more easily in the future when we have a larger Capital such as justifies the position we take up of being an independent concern.

Yours faithfully,

G. Lloyd Davies

LIST OF COMPANIES AND THEIR CAPITALS.

| Company. | Nominal Cap. | Paid up Cap. |
|---|--------------|-----------------------------|
| Pathe Freres (London) Ltd. | £ 160,000 | £ 107,858 |
| Stirling & Hunting Ltd. | £ 20,150 | £ 20,150 |
| General Phonographic Co., Ltd. | £ 60,000 | £ 31,507 |
| Singophones Ltd. Wound up. | £ 5,000 | (Only 7 in cash) £ 3,627 |
| Gramophone & Typewriter Co. Ltd. | £ 600,000 | £ 600,000 |
| Neophones Ltd. (Neophones 1905 Ltd.) Wound up. | £ 70,000 | £ 54,377 |
| Edison-Bell Consolidated Phonograph Co. Ltd. | £ 27,500 | |
| Debentures | £ 96,002 | |
| Deferred Warrants for Debenture Interest | £ 2,400 | |
| Prior Lien Bonds | £ 15,000 | |
| Interest on do. | £ 712 | |
| Mortgage on Lease | £ 7,000 | |

(Particulars of Companies as abstracted from the Registrar's Office sent separately.)

G. Lloyd Davies

NATIONAL PHONOGRAPH COMPANY

July 23, 1907.

Thomas Graf, Esq.,
National Phonograph Co., Ltd.,
London, England.

Dear Sir:

I received yesterday your cable reading as follows:

"Schliemann's bills heavy; Brussels tax due; Riehl's Willissen demand too great; funds soon exhausted. Only resources we have now to depend on till September £50, due to rebate scheme. Full particulars by letter. Want £5,000. Cable through your bank £2500 to our account Credit Lyonnais, London; forward by mail check for balance."

and I cabled you this morning in answer thereto as follows:

"Twenty-five hundred pounds cabled Credit Lyonnais yesterday; balance mailed to-day."

From this you will understand that we arranged with our bank to cable £2500 to your credit at the Credit Lyonnais, London, and a draft for another £2500 goes forward by steamer sailing tomorrow, - that is, it will leave here to-day so as to catch the steamer going tomorrow.

I assume that this will be about all the money you will require, but should you require any additional funds, do not hesitate to let me know, as we can, of course, send you further advances.

The only question now is, how are you going to handle this? Do you intend to repay these loans later? If you feel that you cannot make the repayments in the near future, the only thing that I can see is to have you send us your note for the amount, drawn

2. 7/25/07.

Thomas Graf.

at, say four months, with interest at 6% ^{NATIONAL BROADCASTING COMPANY} annum. Of course, this must be considered as a loan, pure and simple. If at the end of four months you find you cannot liquidate the note, we will be very glad to make you a further extension for the whole or a portion of the total.

Yours very truly,

WEG/TFW

President.

NATIONAL PHONOGRAPH COMPANY

Aug. 5, 1907.

E. Riehl, Esq., European Supt.,
55 Quai du Halage,
Brussels, Belgium.

Dear Sir:

I duly received your letter of the 13th of July, enclosing copy of letter that you received from Mr. J. N. Van Meter; as also your letter of the 18th, enclosing copy of a further letter from the same gentleman.

I cabled you under date of August 2nd as follows:

"Letters 13th 18th July; Van Meter absolutely untrustworthy. Have nothing to do with him. He wants money and will resort to anything to get it."

but I did not write you fully, inasmuch as I wanted to ascertain from Mr. Aylsworth and such other people as might be interested, whether what he has would be of any benefit to us whatever.

The powder sample that you enclosed has been analyzed and we find that it amounts to nothing. The cutting machine that he refers to is of no interest to us whatever, and our people do not see that there is anything in it.

Mr. Aylsworth tells me further that we are not so much interested in ebonite, or montan pitch, as we were. It would do no harm, however, for you to meet this man Van Meter, get all the information you can out of him regarding montan wax and any other information that might prove useful.

He is a son-in-law of Peter Baocigalupi of San Francisco, but he is no credit to his father-in-law so far as I have been able to learn. I met him some years ago when he was passing through here, and he met Mr. Edison and impressed him quite favorably. I was never impressed with the man, and subsequent events proved that I was right. He is absolutely unreliable, has no standing in the community so far as I have been able to learn over here, and therefore would be of no use to us whatever. Under no circumstances must you permit him to look over the plant, as I am satisfied that any information he would obtain from you or anybody else would be disposed of for a monetary consideration. I think my cable is so plain and lucid that you will have no trouble in understanding it, and so far as we are concerned this party would be absolutely useless.

Yours very truly,

WEG/lww

Pres't.

Mr. Bühler:

D
1907 Phon. - Foreign

Referring to the attached papers, read them over carefully and then file them away in the safe in an envelope, setting forth exactly what they are. I do not know but that the envelope had better read: "Authority to Riehl to pay over to the Belgian Government 20,000 Francs as taxes for doing business in Belgium, with copy of agreement in French sent to Riehl August 12, 1907, as per carbon copy attached to these papers.

8/13/07.

W. E. Gilmore.

Enc-

W

[ENCLOSURE]

COPY.

Aug. 13, 1907.

E. Riehl, Esq., European Supt.,

National Phonograph Co.,
Brussels, Belgium.

Dear Sir:

I was indeed very much surprised to receive your letter of July 25th, advising me that the tax collector insists upon having the Orange annual financial statement as well as a copy of the Board's minutes approving same. In the first place, the annual financial statement of this company has not yet been approved by the Board, for the simple reason that I have not yet had an opportunity to go over it carefully, as since my return I have been more than occupied with very important matters that required immediate attention, and, necessarily, these statements have had to wait until I can find time to make same up.

Secondly, I desire to say to you distinctly that we will not under any circumstances submit a copy of the financial statement to the Belgian authorities; in fact, we will not submit such a statement to anybody. It is the private business of the stockholders, officers and directors of the company. I am authorized to state that a copy cannot and will not be made to be submitted to the scrutiny of anybody and everybody. There may be a law that compels us to do such a thing in Belgium, but up to this time we have never been asked to furnish same to the Belgian authorities or anybody else, and, naturally, we will not submit to any such decision, after the years that we have been doing business in Belgium. If there is no other recourse, then the only instructions that I have to give you are that you shall remove the Brussels plant as quickly as possible to Willesden Junction, or take out of the Brussels plant as much of it as you can be spared and reduce the assets carried in Belgium to a minimum.

I cannot understand the reason for their asking for a statement of this kind at this late day. This company is a close corporation, has no stock on the market for sale at any price, no stockholder has ever made a complaint as to the conduct of the business of the company, and in view of this I fail to see how any government can ask us to furnish them with data which up to this time we have never submitted to a stockholder personally since the inception of the company many years ago.

[ENCLOSURE]

(2)

You are at perfect liberty to submit this letter to our counsel Mr. De Laval, and I am sure that he will see the justice of our position and give you such an opinion as will enable you to do what is right and proper for the protection of our interests. If there is nothing else to do, then you should move out of the country.

I have your further letter of Aug. 2nd on this subject, and I have reluctantly approved the document which you enclosed in your letter of the 25th of July, as I do not feel that you should be called upon to make any such undertaking for our account. If they are going to exact this sort of thing, then all I can say is that you had better move your entire outfit away from Belgium as quickly as you can. We are perfectly willing to pay over to the Belgian Government anything to which they are entitled, but this beats anything that I have ever heard of, and I would say in conclusion that if you can by any means withhold handing this paper over to the Government I would by all means do so. I do not want to have any trouble with the Government and therefore have got to leave it to you to use your own best judgement as to what should be done under the circumstances.

Yours very truly,

WBG/IWW

President.

NATIONAL PHONOGRAPH COMPANY

Aug. 13, 1907.

Thomas Graf, Esq., Managing Director,
National Phonograph Co., Ltd.,
London, England.

Dear Sir:

I have been so pressed with many important matters here that I have not been able to take up and reply fully to your two letters of July 19th, setting forth financial conditions in London. The fact of the matter is, I do not know what there is very much comment to make. I realize, of course, that you have a great many credits to render on the record proposition, in addition to the heavy credit bills that must go to Murdock, Brown Bros. and others under the arrangement with them when I was last in London. Of course, I did not anticipate that you would be compelled to call upon us for money; in fact, to be frank with you, I did not give the matter any thought. I realize, of course, that you will have a great many expenses to take care of, not only so far as the office end of it is concerned, but for the Brussels factory as well, to say nothing of the changes in the Willemsen plant and the other extraordinary expenses that you will have to incur on the trip to Norway and Sweden. I can only say in conclusion that you must try and get along the best you can with such money as I have sent you; but if you find that you must have more money during the months of August and September, do not hesitate to let me know, and I will gladly advance such amounts as are imperatively necessary to take care of your requirements. I want you to feel at ease and be able to devote your entire time and efforts to the straightening up of the selling branches of the business, to arrange for the proper advertising and systematizing of the different branches as well, so that any monies that you may require you need have no hesitancy in advising me about and I will be prepared to cable you, if necessary, or to send drafts, as you may indicate.

I realize, of course, that this is rather an unfortunate thing to have you take charge of the business literally and be forced to ask us for money in the beginning, but realizing all the circumstances, I fully appreciate that it is necessary, and therefore you need not hesitate to call on us for anything that you may require.

Yours very truly,

WBG/IWW

President.



Edison:

*Hough has always been
referred upon to put his
case in to*

Note attached correspondence regarding the Edison-Bell
They put forward a claim, the amount of which I never was
able to ascertain, and they succeeded in getting a judgment
against us; but we appealed to the higher court, asking for the
right to examine their books to prove their statement. In this
we have been sustained, as the papers will show. When I was over
they were very nervous over this, and I am therefore forced to the
conclusion that Hough has blown up the statement with fictitious
figures, etc., and when they come to be verified the amount of
damages that he will obtain, if any, will be materially reduced.
Kindly return all papers with your comments.

8/16/07.
Enc-B

W. E. Gilmore.
W

[ENCLOSURE]

Form 200

NATIONAL PHONOGRAPH COMPANY

Aug. 15, 1907.

G. Croydon Marks, Esq.,
London, England.

Dear Mr. Marks:

I am in receipt of your esteemed favor of July 31st, advising that the Court had handed down an order giving you permission to inspect the books of the Edison-Bell Co. This is indeed gratifying. It is perfectly natural that they should make a most determined fight against the granting of such an order and it only bears out what I have already stated to you, that they must be afraid of it. The reasons for this are obvious. I shall be interested to know whether the Edison-Bell Co. carry the appeal to the House of Lords, but I do not think it would even pay them to do this. I also note that nothing can be done until November, and as we shall see each other before then, this matter can be fully discussed at that time.

I am receiving information from Riehl right along as to the condition at Willesden. He seems to be getting along fine, and hopes to be making records there before the 1st of September.

The advertisement of the Edison-Bell in the "Talking Machine News" is, from your standpoint, libel pure and simple. It has no weight with the trade as a whole and is simply the hollowings of an individual for whom none of us have any respect whatever. The only thing to do, therefore, is to ignore it entirely.

Yours very truly,

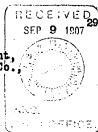
WBG/IWW

President.

N. P. Co., Ltd.

Record - Manuf.

National Phonograph Co. Ltd.,
Victoria Rd.,
Willesden, N.W.



29th August 1907.

Mr. W.E. Gilmore, President,
National Phonograph Co.,
Orange, N.J.,
America.

Dear Sir.-

I have great pleasure to report that the first record has been moulded at our London Factory to-day. I was determined to commence this week and I have gained my point.

The moulding of our first record, however, does not mean that we are producing the capacity of one kettle, but it means that the critical point has been passed, and that we are beginning to break in hands. We are about to break in one crew, and when the latter is efficient, we shall start with another, and then a third, and so forth.

The erection of one kettle is complete, with the exception of the steam, as the boiler can only be mounted in approximately a week, but that does not prevent us from breaking in help, and by the time they are efficient the steam boiler will be set up.

The second kettle will also be complete in about a week hence. The tank itself has not yet arrived from Germany, but I have received shipping advices, and if I get it within five or six days, the second kettle will be in working order next week.

The gas plant, gas engine, main shafts, and other shafts are working satisfactorily.

N. P. Co., Ltd.

-2-

Mr. Gilmore. (Cont'd).

Racks are being put up to receive our finished work, and a fireproof mould vault is in course of erection.

This building will be amply large enough to receive all the finished moulds that will be manufactured for the next six or seven years to come, and is situated right opposite the big blacksmith's shop, which will remain idle for the time being.

All other departments which will be used by the factory have been cleaned, whitewashed, and cleared of the rubbish they contained when we took possession of the premises, and they present quite a neat appearance, especially the Inspection and Moulding Departments.

The steam heating apparatus has been ordered, and will be put in shortly. The cost, however, is a very big item, as the heating of all the building has been taken into consideration, (except the blacksmith's shop above referred to), and the boiler will be large enough to increase our manufacturing plant, after the eight kettles are in, if necessary. The cost of our London Factory installation will leave quite a big gap in our cash box, as the steam heating alone will amount to approximately £600.

A special and separate account has been kept on our Brussels books from the commencement of all expenditures made in connection with the erection of the new plant.

All bills are paid by the London Office, after they have been duly O.K'd, and the factory has a petty cash capital of £75.

N. P. Co., Ltd.

-3-

Mr. Gilmore. (Cont'd).

deposited in the nearest Bank.

We are ^{labouring} living somewhat under difficulties owing to not being able to get the telephone connections up at our Works, especially is this apparent when a new factory is being erected, as a thousand and one articles are needed. The nearest Willenden Telegraph Office Station is nearly a mile distant from our premises. We are, therefore, much handicapped by not having a telephone, and to do business under these circumstances can be well compared to writing a letter without ink. I hope, however, that we shall succeed in getting connected shortly, but there is no telling, as the distance between the nearest wire and the factory out-distance the Willenden Bye Laws, and the proprietor of the ^{empty} anti-building lots around our place will not consent to the erection of a pole.

We are beginning with manufacturing Christmas selections, of which I expect heavy sales this year, and no stone will be left unturned in the endeavour to supply the demand in order ^{not} to create a loop-hole for our competitors.

All indications point to a busy season, and we are already working our full capacity at the Brussels Factory, and I hope the London Factory will soon be needed to supply records.

Labour, I am glad to state, is plentiful here, and can be had in unlimited quantities. The expense of the same, however, is higher than we pay in Brussels, and to give you a fair comparison

N. P. Co., Ltd.

-4-

Mr. Gilmore. (Cont'd).

of the difference, I may say that we pay a labourer here as much as we pay a skilled mechanic in the Brussels Factory.

Relative to the naming of our Factory, Mr. Marks proposes (for income tax reasons,) "Edison Works, National Phonograph Co. Ltd.," ignoring London Plant or branch. His suggestion will, of course, be adopted unless you otherwise decide.

I shall spend most of my time at the London Factory, making an occasional flying trip to Brussels, and you may address all communications to me at the Edison Works, National Phonograph Co. Ltd., Victoria Rd., Willesden, N.W.

I beg to remain,
Yours very truly,

NATIONAL PHONOGRAPH COMPANY, LIMITED.

Superintendent.

London Sept 11th 1907.

W. C. Gilmore, Esq.

Orange, N. J.

Dear Mr. Gilmore,

To-day it is exactly two months since you went back to America. No great changes could be undertaken in such a short space of time. I have made arrangements for the reduction of my price in Germany, Belgium, Holland and France. I have been to Vienna to start business there. For 10 days I have been at Whitby on the Yorkshire coast, to recover from the ill effects (which you witnessed at our last meeting at the Daisy Hotel) and which were due to my being held in suspense, for seven or eight months, for some ~~very~~ reasons which then were not clear to me. And, lastly I have been watching things very closely here.

There is not a thing, however small, which is not carried to Chancery Lane right away. There is a telephone correspondence almost daily. I have been watching these things, but I have not told ^{about} until I was quite certain about the tendencies here and there. And I did not act because I wanted to be quite sure of everything. You will understand that under these conditions, I could not devise any schemes for new departures, such as the film department. I did not feel enough at ease for that.

"I never had much confidence in certain people!"

Since you left Chancery Lane has been working with definite purpose. They feel very sure of success.

The millwright who was recommended for Willersden, was, it appears, in a little too close a connection with these people, than a man of his type (dozens of them can be obtained on insertion of an advertisement in a daily paper) could possibly be under ordinary conditions. A representative of Mr. Marks was continually at the factory, and if all these services were meant in our interest only, this was very kind indeed, but not necessary.

From the behaviour of this millwright (I spoke to him on the 'phone only) I could see that he must have been filled with prospects from a certain source, which were not in keeping with what he could expect as long as Riell was there. How he surrounded himself with his own men, and there seemed to be one folly family, with a member in my office, others in Chancery Lane and at Willersden. Riell of course is still in Willersden, and I am still here, but the future in their minds must be theirs.

I personally do not feel sure in this office

to at any time be lead into something, which is meant to compromise ~~to~~ me in your eyes. This has been brought to my attention by another faithful servant of yours, although of course I knew it myself. I am very careful, naturally, and they have not succeeded so far. or have they? If, then you surely must have heard of it.

You will readily understand that this condition is hell and stifling all productive thoughts. Why didn't you act "you will say. I thought rather not, until things are ripe enough. My acting will then be better understood. Camone will be fired in two weeks from now. There is nothing lost in him, the fellow is very pleasant to those, from whom he can obtain something, otherwise from what ~~work~~ I have seen coming in during his vacation - hot air. The handling of such questions it is understood was entirely left to me, and I will not bother you any more about it in future. However the present situation may cause you to decide entirely different and you may want to keep him, or keep him until a later date and as I have ^{no} interest but that of the firm, in mind, always, whether I remain, or should I ever leave you, I have made it possible by fixing the date as above, to cable me if the date is not
for you

satisfactory. You may want to see Marks first. If you do not care, I take it that you do not care to defer my decision for a week or more.

Your advice to Mr. Marks, about the resignation of Mr. Schumacher has made them over confident. In their belief probably, I am now the only barrier to get the business entirely in their hand. And they feel so confident that they shall have an easy job with me. During my vacation 2 actions were started against pricecutters although these matters could have waited till I returned a few days after. Our collector was likewise on his vacation and the actions were not started properly, they really should be started over again. Mr. Marks took the matter entirely upon himself. I told him about it, but from his remark I could see that he considered it as matter of course. Now that was not strong enough yet, it had to come stronger, in order that I should show him, that I am not to be trifled with and that I wish to know absolutely everything that is going on here, first and before others, and I do not wish that my management should cover anything for which I cannot take the responsibility. Especially in regard to the requirements of the laws I shall be as strict as schoolteacher in learning everybody observe them like a class regulation. And I shall not make any exception with Marks. He has been in the habit of not observing them as far as many things concerning us are concerned.

and if it is your desire to charitably cover the things of the past, well and good, but during my management, there will not be anything done, which cannot be openly talked upon. I do not know if it is mere carelessness, that these requirements are not observed, or something ^{else} I don't know. I will not go back to the mess made of certain things ^{done} ~~made~~ in the past, but since I am here, the only meeting held - its decisions have not been carried. Enclosed letter to Mr. Marks will explain about my nomination. I do not know, is it mere carelessness, or ~~did not~~ did the officials in Chancery Lane think it hardly worth while to go to the trouble of filling ^{the} a printed form my name and their signature and file it in the public register. Did they consider my life with the Company too short to go to that trouble?

A further proof of their feeling of security I found in being ignored entirely in that second matter, ~~for~~ of which I enclose correspondence. I was with Marks on Saturday, he told me of his intention to go to Paris on coming Saturday, didn't mention a word about the meeting to be held, will be absent all week until Friday, when I may come and beg information ~~of him~~. I have written Mr. Marks as per enclosed copy, which is self explaining. I mean to handle things here

as well as in Paris, exactly the same as I handled
my Berlin office, where all legal matters ~~and~~
are carefully attended^{to} and the requirements
of the law are strictly complied with. I do not
want any past manager in Paris, or employes
here, to be able to bring up something - lets -
there is no necessity for it. It is easier to comply
than not to comply with the law. I was able to straighten
things in Berlin end of last year,
by your assistance and decision, and I mean
to sweep here too, unless you use the brake. I shall
of course, be as diplomatic as the situation permits
and you must not think that anything has
occurred beyond the letters of which I enclose
copies. There is not any one here in this building,
nor at Mr. Marks' office, who knows about the
correspondence, my typewriter excepted as far
as the letters are concerned. Mr. Marks of course will
be somewhat surprised, but he will consider the
letters as defense, and not attack.

Berlin is all right (legally) with exception of
one important matter, which however, does not
affect the Edison Gesellschaft, but this company
only, and a less important matter which does
affect the Edison Gesellschaft, but can be adjusted
without much trouble. I shall tell or write Mr.

talks about it, but not just now. I don't want
to give it to him ^{at once but} in several doses. Mr. James
H. ~~How~~ White is still on the reports and in the
public register, figuring as a partner of the
Gesellschaft, and if anybody issued address
a reporting agency for information about us,
they would ~~information~~ the inquirer about
the partners first, among them figuring Mr.
James H. White of the General Phonograph Co. Ltd
London and the Echo Record Co. Berlin. As long
as I was in Berlin, and in the early part of
this year when I was here, I knew about ^{it} but
I did not care to mention anything about ^{it} because
on a similar occasion I was once rebuked,
and my information was taken with suspicion,
instead of thanks. They could not understand, that
my interest for the welfare of the concern, cannot
be based on anything else but on the money
which I get from the concern, and not from
the desire of doing everything I do, thoroughly
and with the enthusiasm I was capable of, well.
I hope that time is past in my connection with
you.

In a separate letter I will show, or will try to
show, that there is nothing to be feared from any quarter,
and all the parties referred ^{to} will under all conditions

be obliged, to keep friendly to our interests,

The above was written after a day's work ~~by~~ⁱⁿ the night, and
the handwriting as well as the wording could be more careful.
But I hope you will excuse both and treat the letter just
like a conversation, the sound vanishing after being heard
by you - - I felt obliged to write just as I did, as I
have no other means of communicating with you.
If I have done anything which you cannot approve of, I
shall be glad to hear your comments.

Sincerely Yours
Thomas Stief

September 11th 1907

G.Croydon Marks, Esq.
19, Southampton Buildings,
Chancery Lane, E.C.

Dear Sir,

I have a letter of the 9th instant- Monday- being a notice that you enclose copy of a letter to Mr.Galloway, that you will be in Manchester until Thursday, in your office on Friday morning and leave for Paris in the afternoon. This letter is bearing your rubberstamp signature.

Although you told me that you will go to Paris on Saturday next, I learn for the first time by your letter to Mr.Galloway that the purpose of your visit is to hold a Board Meeting of our French Company, in order that you may bring Mr.Sohmerhorn's resignation and transfer, mentioning at the same time that you forgot to tell me about this matter when I was at your office, and unless I otherwise wish there does not appear any necessity for me to remain over the meeting. If you will remember I told you on Saturday morning that I shall leave for Brussels on the same evening in order to meet Mr.Galloway and Mr.Wilm on Sunday and stay there during Sunday only, and under these circumstances, of course, it would not be necessary

Mr. G. Croydon Marks, London.

-2-
Sept. 11th '07

for me to stay on the Continent for the meeting an entire week, when it was intended to stay there only for a day.

As to the subject matter of the meeting of course, although it is only formal, as you say, it is still sufficiently interesting to me to know something about the transfer itself. I have not heard anything about it, when I saw you on Saturday, and I cannot find anything about it in your letter to me nor in the copy you enclosed.

As to the transfer itself this has been arranged by Mr. Gilmore and it is needless to say that I must and will gladly abide by any of his decisions. As regards the decision itself, however, you know and will understand my desire to know something more definite than I can find in your letter and also my feeling to be entitled to know it. Mr. Gilmore's decision, of course, is as I suppose the only one which is possible under the present conditions; the transfer of all positions held by Mr. Schermerhorn should be made to himself.

As regards the meeting I wish to say that as long as I hold my position I wish it to be understood that I can be present at any of these meetings, or if the meeting is not of sufficient importance to warrant my making a journey, I should at least know the details of such arrangements which are important enough to call for a meeting. The principle point, however, is the legality of such meeting. - And in this respect I feel obliged to advise you that I have laid it down as a matter of principle, when I assumed the position which Mr. Gilmore entrusted to me, that anything I will do, or look at being

Mr. G. Croydon Marks, London.

done, shall be in strict accordance with the laws of the country where it is done, and this meeting held without due notice does not seem to me to be in accordance with this principle, and as I do not see any reason whatsoever why due notice should not be given I have written a registered letter to Mr. Calloway, of which I enclose a copy, and which you will see I have worded very carefully.

I am very busy, having to attend ^{at} a good deal of the German and French business as well as to the increased work here occasioned through the absence of several of our employees (Mr. Thorhauer and Mr. Lemaine), and I should therefore be very glad, if you would be kind enough to arrange to see me on Friday at any hour convenient to you.

Yours very truly,

Managing Director

Enclosure.

Th. G. Sch. Diet. 11.

Sept. 11th 1907

Registered.

Mr. R. Galloway, Managing Director,
Cie. Franc. du Phonographe Edison,
P a r i s .

Dear Sir,

I received a letter from Mr. Marks, as well as a copy of his letter to you. I see from that letter that a Board Meeting is intended to be held in Paris, on Saturday next. The matter as Mr. Marks states is merely a formal one, and as I have not any chance of seeing Mr. Marks during the next few days he being away from London, I have written him asking to put off the meeting to another date in order that I can be present.

Furthermore it is my desire that these meetings, without exception, should be held in accordance with the requirements of the French law, as there is no reason whatsoever why this should not be done. The meeting which was intended to be held will be illegal, of course, and cannot be held on Saturday, inasmuch as due notice was not given to any of the parties concerned.

Yours very truly,

Th. G/Sch. Dict. 11.

Managing Director

September 12th 1907

G. Croydon Marks, Esq.
19, Southampton Buildings,
Chancery Lane, E.C.

Dear Sir,

I beg to call your attention to a little matter which it appears has escaped your notice. You will remember that at the last Meeting held at this office I was nominated Managing Director of this Company. In order that this nomination should become legally effective, it was necessary that certain shares should be transferred to me and this transfer was arranged for and agreed to by me. You said at that time that you would handle it, but it must have altogether escaped your attention, because nothing has been done up to now.

I shall be glad if you will at once make the preliminary arrangements which are necessary to effect the entry into the public register.

Yours very truly,

Managing Director

Th. G. Sch. Dict. 12.

EDISON-GESELLSCHAFT M.B.H.

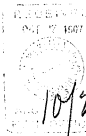
TELEGRAMS "RANDOMLY"

25 CLERKENWELL ROAD,

London, E. C. September 26th 1907

Personal.

W. E. Gilmore, Esq. President,
National Phonograph Company,
Orange, New Jersey.



Dear Sir,

In the public register and on our books the following parties figure as partners of the above Company:

| | | |
|-------------------------------------|-----|----------|
| Mr. Thomas A. Edison | £k. | 2000.- |
| Mr. G. Croydon Marks | " | 2000.- |
| Mr. James H. White | " | 2000.- |
| National Phonograph Co. Ltd. London | " | 394000.- |

The investment of £k. 394,000 of the National Phonograph Company Limited, London, consists only of patents, valued at that figure. I would suggest that the investment of the London Company should at once be transferred to the National Phonograph Company, Orange. Mr. Marks will be at Orange in the early part of October, and if you agree that my suggestion should be carried out, his visit will enable you to thoroughly discuss the formalities which will be necessary in order to effect the transfer.

In connection with this I would say that it is altogether immaterial to the German authorities whether the London or the Orange Company figure as partners and it does in no

Edison-Gesellschaft m. b. H. & C. O.
BERLIN N.

Sept. 26th 1907

Mr. Gilmore, Orange.

way affect the taxes, the American manufacturer being entitled to sell his products (machines) to the German company in which he is interested, at any price he chooses, and the tax is levied only on the profit the German company makes over and above that purchasing price. In other words, the American manufacturer is entitled to make as much profit as he chooses on the goods he sells to the German company he is interested in, and this profit is not subject to any tax whatsoever. An American or an English firm interested in a German company has only to pay income tax on their share of the profit shown by the books of the German company.

The question of so-called "Foreign Concerns" has never been raised nor can ever be raised with Limited Companies, under the present law in Germany.

The above statements are made after I have thoroughly investigated the matter.

Yours very truly,

Thomas Draf

Managing Director

P. S.

I have principally been caused to write you the above, because the public register in Berlin, is open to inspection to everybody, extracts from it are printed in newspaper & etc. On the other hand, there is nothing to show on our books, that the London company is interested in the Berlin concern. This is evidently just quite in order, and if the above facts should ever come to the notice of anybody here in London, who wants to play a ^{trick} ~~trick~~, there would be trouble.

Th. G. Sch. Dict. 25. d.

Telegrams & Cables: "RANDOMLY LONDON"
Codes used: A1, A.B.C. COMMERCIAL.
LETTERS AND NUMBERS

TRADE
Thomas A. Edison
MARK

Record-Making.
Telephones
No 5050 Holborn.
1190

FACTORIES,

ORANGE, N.J. USA.
BERLIN.
PARIS.
BRUSSELS.

IN REPUBLICS ADDRESS THE COMPANY AND
THE NATIONAL AND DESIGN THESE INITIALS

NATIONAL PHONOGRAPH CO. LTD.
EDISON PHONOGRAPHS & RECORDS.

25, CLERKENWELL ROAD.

THOMAS A.
EDISON'S
PHONOGRAPHS,
GOLD MOULDED
RECORDS,
PROJECTING
MIMETOSCOPES,
ORIGINAL FILMS,
BATTERY PAW
MOTORS,
PRIMARY BATTERIES.

London, E.C. September 28th 1907.

W.E. Gilmore, Esq., President,
National Phonograph Company,
Orange, New Jersey.



Dear Sir,

I received a copy of a letter which Mr. Wyper, of our Australian Company, wrote you under date of August 13th. This copy was sent here to Mr. Schermerhorn, and inasmuch as the correspondence treats only business matters I kept it here, and I have replied to that part of the letter which refers to the prices of other manufacturers in the United Kingdom.

From the contents of Mr. Wyper's letter I note, that he would be able to declare and enter Brussels or Willesden made records at 6d each, provided they are invoiced from the London Office. I assume that this matter has been discussed after you received Mr. Wyper's letter, and I shall be glad to hear your decision. Without wishing to prejudge the question, I suppose that you will decide, that beginning with a certain date the American factory will discontinue to ship records to Australia of all and every selection of which we have moulds at Brussels or Willesden.

In this connection I beg to refer to my letter of

N. P. Co., Ltd.

-2-
Sept. 28th 1907

Mr. Gilmore, Orange.

September 26th and to copies which I attached thereto. If masters of all these selections are shipped us, as demanded, the Brussels and Willemsden plant will be in a position to supply Australia with

- 1) all British selections,
- 2) all American selections up to No. 8722, with the exception of 16 selections, enumerated on the copy I sent you.
- 3) All American selections above No. 8722, with the exception of those which we have been in the habit of cutting from the American regular monthly supplement, because of their being unsuitable for this territory.

Mr. Wyper therefore can, from that certain date, either limit his catalogue to the selections which we can supply from here, or leave his catalogue as it is, get the majority of the records from here, and the 16 selections and other cut outs above mentioned from America.

As I advised you in a previous letter I expect this season, to make use of the entire capacity of the Brussels factory as well as of the Willemsden plant and I shall probably be obliged to call on Berlin even. I shall therefore be glad to hear that the date above referred to, is not fixed too early.

Mr. Riehl, no doubt, keeps you informed on the progress made at Willemsden and the manufacturing possibilities there for the next few months.

Yours very truly,

Thomas Graf
Managing Director

Th. G. Sch. Dict. 27.

[ENCLOSURE]

CABLE ADDRESS: "SONIDO, SYDNEY."
A. B. C. 572 EDITION, LITHENIA, WESTERN UNION, MOUNTING, AND PHONO CYCLES USED.

G. P. O. BOX 146.
TELEPHONE 3672.

Records - many

NATIONAL PHONOGRAPH CO.

OF AUSTRALIA LTD.

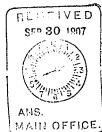
340 KENT ST.



EDISON PHONOGRAPHS
AND RECORDS
EDISON PROJECTING KINETOSCOPES
AND ORIGINAL FILMS
EDISON PRIMARY BATTERIES
AND FAN MOTOR OUTFITS.
RATES AND EDISON
NUMBERING MACHINES.

Sydney, N.S.W. 13th Aug '07.

Mr W. E. Gilmore,
President,
NATIONAL PHONOGRAPH CO.,
ORANGE., N.J., U.S.A.



Dear Sir,

We have just received Mr Schermerhorn's letter of July 10th., in reference to the question of all our supplies in Records coming from Brussels or London, and asking us what Duty would be payable if such a course is followed.

The first question that we would answer is the value at which the Records would be entered in the Customs House here. This would be the lowest selling price in England, which we understand to be 6d. To allow of entries at this price, it would be necessary that all Papers and Invoices shew unmistakeably that they ^(Purchases) come to us from London, and it is at London that our Purchases are made. We have to declare the Market Value of the Products in the Country from which we make our purchases. It is on this basis that we are now endeavouring to have our American, as well as British Records, entered in through the Customs at 6d per Records, instead of as heretofore, 17¹/₂ per Record.

If we are successful in our present endeavour, the question of the Customs Duty ^{at different selling prices} would be eliminated. We cannot state positively, that we will be allowed to enter the Records coming from the United States at less than the 17¹/₂ heretofore paid, as the Government may insist on

[ENCLOSURE]

W.E.G., Orange, N.J.

-2-

13/6/07.

payment of Duty on the Market Value, in the Country whence they are exported.

If you were using the same Record in England that is being manufactured in Orange, our basis would be much stronger than it is at present, where the Record issued on the English Market, are not those manufactured in Orange, although they are made from the same Masters.

The reason we cannot give you any decided answer on this point, is the fact that we have nothing to present to the Customs at the present moment, indicating that our price would be 6d in London, as the Invoices already to our hands, indicate 17¹/₂ from New York.

We have, however, already cabled to New York for Invoices dated at London, bearing the price of 6d to us, when we will take the whole matter up with the Commissioner of Customs, and have his final judgment thereon.

Were we to approach them at the present moment, there is no question but that their decision would be, "You must still pay Duty on the 17¹/₂ price."

From this you will see that our only claim in entering Brussels made Records through the Customs at the price of 6d each, would be the fact that these are the identical Records that are being offered in England at that price, and that it is only a matter of convenience to the Shipper and the Consignee, that they are forwarded from Brussels instead of from London.

Seeing that the price you specify of 6d for charges to the National Phonograph Co. Ltd., as well as to the other selling Agencies of the National Phonograph Co., is not applicable to the General Buyer, we would not be able to use this price for our Customs Entries. The Customs would not accept an arbitrary price made by a manufacturing concern, for sale to practically its own members, but would levy the Duty on the Market Price in the Country from which the goods were purchased.

The Second point is, as to what ^{add} Duty would be imposed on Records manufactured in Brussels, or in London. With the Tariff

[ENCLOSURE]

W.E.G., N.J.

-3-

12/8/07

at present before the Government for consideration, the Duty for Brussels made Records would be 35% as against 25% for British made Records; we might here state that Phonographs and Accessories would come under the same head as Records.

We are extremely glad to have the information that you intend to establish an English Factory, but are not sure whether this would include the manufacture of Phonographs as well as Records.

There is just one point we might bring to your attention, and that is that the American made Records are very much superior in their finish to the British, the surface having a much higher polish than those turned out at our Brussels Factory, and also giving a much smoother reproduction. We unfortunately find that quite a few British Records have rather a noisy reproduction, i.e., they crackle, through some slight surface defect, which complaint cannot be put against the American Records as a general thing. The complaint that we have to

make against the British Records might be on account of the manner of packing. Quite a few of these Records recently have come to hand in a damaged state, apparently caused through dampness, but there is no evidence in the case, or in the cartons containing the Records themselves that any water was ever near them. We have just written a letter

on this subject to Mr Riehl at Brussels, sending him a sample of the Record, so that he can judge for himself just why this defect should arise. In a small shipment recently to our hands, we had just about one half of the Records turn out absolutely unsealable, they being pitted more or less through this dampness. We might say

here that the Sterling people had the same difficulty with the first Records they sent out to Australia, though this has long since been overcome. They^{now} send all their Records to Australia, wrapped in Oiled Paper, but this would hardly seem necessary, as it is only recently

[ENCLOSURE]

W.E.G., N.J.,

-4-

13/8/07.

that the trouble complained of has appeared even in the Brussels made Records.

Referring to your Postscript, we might inform you that we have just undergone a rather rigid investigation from the Customs Dept., in relation to the price at which our Records have been entered from the time at which we first commenced business in Australia, some 20 months ago.

From information received in Melbourne, we understand that Ayers Henry & Co., who are Agents for the Edison-Bell Records, gave information to the Customs that we were entering Records at 5 $\frac{1}{4}$ d each.

The Customs Authorities were in a position to repudiate this at once, but they did not seem to take that course, they rather put themselves to the trouble of going through all our Invoices and Papers from the time of our start in business here. We are very glad that we were on a perfectly safe basis without Entries, so that no trouble will ensue from the investigations which have taken place.

We understand that the Sterling people, at the moment of the reduction that is being made in the price of our Records, (i.e., shortly after our notification was sent to the Trade on June 10th., of the present year, that our New Price would be 8 $\frac{1}{2}$ d to the Jobbers,) made a reduction, their price being brought down to 5 $\frac{1}{2}$ P.O.B., London, instead of 6d P.O.B., London, as heretofore ruling.

We have endeavoured to obtain information from the Customs Officers as to what price these people are using for entries, but have so far failed to ascertain; they do tell us, however, that all of the Record Manufacturing Cos are undergoing the same rigid inspection that has been given to ourselves. We do know, that only recently the Edison Bell People were enabled to have the Customs place a value on their Records for entry here, and we understand that this is 6d apiece for the short Records, and 7d apiece for the long Records.

[ENCLOSURE]

W.E.G., H.J.

-5-

13/9/07.

We have not been able to gather any information in regard to Pathe Freres, Pathe & Co., or Pathe, as the import of this particular make has been very small for a long time past.

Will you kindly confirm the Prices for the Russell Hunting Co., Edison Bell Consolidated, as Cd since your reduction took place, and also give us, if you can the English prices as made by the Pathe concern.

We have offered to supply any information in our Power to the investigating Agents of the Customs at any time they like to call on us, and we would like to have authentic figures to present to them.

There is just one point that we have previously overlooked, and that is, what is the arrangement you have in London for the payment of Freight on shipments to Jobbers. Is your price to them Cd F.O.B., London, or do you absorb Freight, the same as is done in shipments in the United States. This would have some bearing on the value at which we enter the Records in Sydney, or in Australia.

We have paid, on the Itzchoe shipment just in, on a value of Cd C.I.F., Sydney, this being based on the supposition that you do pay Freight on shipments to your Jobbers throughout Great Britain. As before stated, we had no authority to show the Customs for this reduced price, so that we had to pay a deposit for the difference between the Duty at Cd each C.I.F., and the old price of 17¹/₂ C.I.F., this deposit to be refunded to us only when we can prove the Cd price is a bona fide one.

We are,

Yours very truly,

NATIONAL PHONOGRAPH CO.
OF AUSTRALIA, LIMITED.

W. E. G.
MANAGER.

WW/PLT.

Mr. Edison:

Note attached letter from Mr. Graf; it is interesting reading. Please return when you are through with it.

10/2/07.

W. E. Gilmore.

Enc-E

OK WEG

N. P. Co., Ltd.

Mr. Gilmore, Orange.

-2-
Sept. 12 07

records at less than 1/6 list price. It seems that the White people have a security for a considerable amount of money in their hands, which made it impossible for Lowitz to get out of the contract.

Van Meter, the son-in-law of ^{4.} Peter Pacégalupe, is appearing and vanishing in and from all principle places on the Continent. First he has been for White in Berlin, then in London, afterwards he went to Hamburg, and from a reliable source of information in Hamburg I found out that he was engaged as experimental chemist by Schliemann. I advised Mr. Riehl and Mr. Aylsworth of this when we three were in Berlin. Mr. Riehl no doubt wrote you about his patent scheme at which he worked with Schliemann. The thing it appears fell to pieces, the only remaining fact is that Schliemann through these experiments has been caused to work at compositions for records and he is making such compositions. Van Meter was in Brussels to see Mr. Riehl and sell him master blanks. Mr. Riehl reported you about it. He did not succeed with Mr. Riehl, but by a letter which I received from Berlin to-day I see that he has succeeded in sticking my German people. He came there to show them 30 master blanks of the old type used ^{several} years ago. He told them that he purchased these master blanks from Stollwerck Bros., Cologne, in order that they should not come into the hands of other people. He also told them that he is closely connected with you and Mr. Riehl. He asked Mk. 72- for these old blanks and Mr. Wilm bought them. When I heard about I telegraphed at once to Mr. Wilm and Mr. Grüsser something that will cause them to show Van

N. P. Co., Ltd.

Mr. Gilmore, Orange.

-3-
Sept. 12. 07

Meet the door if he should call again.

The Edison-Bell Company have sent enclosed circular to the trade announcing reduction in the price of their records to dealers: Extra long records 7/- per dozen, Standard 6/6.

Yours very truly,

Thomas Stief
Managing Director

Enclosure

Th. G. Sch. Dict. 11.

How-Money
 NATIONAL PHONOGRAPH COMPANY

Oct. 21, 1907.

Thomas Graf, Esq., Managing Director,
 National Phonograph Co., Ltd.,
 London, England.

Dear Sir:

I duly received your letter of September 26th, advising as to the partners of the German Co., Mr. White's name included. In addition, I have received your later letter of September 26th, advising me that the stock held by him had been transferred and that you had been misinformed. I am glad to learn this, of course.

I took up with Mr. Marks last week the question of transferring the amount standing in favor of the National Phonograph Co., Ltd., London, amounting to 394,000 Marks, and after fully discussing same with Messrs. Westee and Buehler, it was decided that what your purpose doing is entirely in order, and there is no good reason why it should not be transferred to this company. Although we were advised at the time that it should go to the National Ltd., the conclusion reached is that they had nothing whatever to do with it, as it is a matter distinctly between the National Co., Orange, and the Edison Gesellschaft. On the other hand, there is a possibility that the patents may have been transferred to the National Co., Ltd., London, and then assigned to the Edison Gesellschaft. However, I understand from Mr. Buehler that the amount of 394,000 Marks has never been charged to the Edison Gesellschaft on the books of the National Co., Ltd., London, so that what I want to do now is to get the matter fixed up satisfactorily, and I am going to leave it to you to fix it up with Mr. Marks just as soon as he returns. In this connection I desire to say that Mr. Buehler is leaving for the other side the latter end of November or early in December, so as to take up the matter of closing the books in all factories and selling offices at the end of the year. Possibly you would prefer to leave the matter for him to properly adjust when he gets over. I know you will be glad to hear this, inasmuch as Mr. Buehler is going to be able to give you lots of assistance, and if you do not want to hold it up until he gets over, then go ahead and fix it up forthwith. Mr. Marks thoroughly understands the situation and agrees to what you state in your letter.

Yours very truly,

WEG/IWW

President.

NATIONAL PHONOGRAPH COMPANY

Manuf.

STRICTLY PERSONAL

Oct. 21, 1907.

Thomas Graf, Esq., Managing Director,
National Phonograph Co., Ltd.,
London, England.

My dear Graf:

Your autograph letters to me, dated Sept. 9th (already acknowledged), Sept. 11th, Sept. 18th and Sept. 27th, as well as copies of letters written Mr. G. Croydon Marks, dated Sept. 11th and 12th, and copy of letter to Mr. Galloway, dated the 11th, all came duly to hand.

I must say that I was somewhat nervous after reading over your letter of the 11th, as I had no idea that within two months after my leaving you any such position would have been assumed by the parties referred to, and you must of necessity have been placed in a very bad position by any such actions on their part.

I shall endeavor to answer your communications seriatim as I go along, so to begin I will say that the original intention in placing Mr. Marks as a Director of the National Limited with to learn how to take up and handle a business in England, with which he was not familiar and with which I was not familiar, so that I considered, in view of the fact that Mr. White every facility which he was not familiar and with which I was not familiar, so Englishman, had had more or less to do with corporations, both as to manufacturing as well as the sale of goods, that he would be of material assistance to him in working up our business in the British Isles; and I remember distinctly impressing upon him, not once, but many times, how necessary it was for him to confer with Mr. Marks before taking any radical steps in the promulgation of our interests over there. Generally speaking, everything worked out pretty well, although some things, as you well know, have not worked out as we had expected. However, I do not consider it necessary to go into these details, as you are more or less familiar with them. For your information I will say that this company has been paying Mr. Marks the sum of £20 per month, to cover his charges in looking after our interests over there, without regard to the charges that he makes us for all work that he does otherwise, this being, in other words, a standing ~~monthly~~ retainer. (Please consider this strictly confidential). I give you this information so that you will understand that Mr. Marks is not doing anything for us from a friendship standpoint; he is being well paid for his services, and we expect him to act for us only in a business

2. 10/21/07. NATIONAL PHONOGRAPH COMPANY. Thomas Graf.

way. From time to time for the last few ~~years~~^{months} Mr. Marks has endeavored to impress upon me the necessity of increasing the capital stock of the company and issuing some of such stock to English stockholders, we, of course, to retain the control. Mr. Edison and myself have absolutely refused to do anything of the kind, and I think you will agree with me that this is the best course to pursue. It has not been our idea that the business over there should be conducted on anything but the most open lines. What I mean by this is, that there is no necessity ~~for anybody to~~ endeavor to obtain information surreptitiously, and it was never the intention of Mr. Edison or myself but that our business should be conducted in the most open manner.

I have read over all of your letters not once, but three or four times, and after doing so I concluded to let Mr. Edison read them over in their entirety. To say that he was surprised does not define it, and his first utterance was (and it is exactly what I expected), that you must be upheld in every possible way. You have been elected as the Managing Director of that company as well as General Manager of all of the selling companies abroad, and such being the case, it is the intention of both Mr. Edison and myself that you shall not be hampered in any possible way, so that you are at liberty to go ahead and make such changes as you may see fit. If any subordinate is not in accord with your methods or does not work to your interests, which are the interests of all of us, there is nothing else to do but to dispense with his services. I am sorry indeed that Lemoine has undertaken to do the things that you refer to; it is absolutely beyond me. He is no more capable of operating a company than one of your office clerks, and we have got to run our business in an open and frank way if we intend that it shall work out satisfactorily to all concerned. . . Right here I want to say that I was going to write you some ten days ago, but after thinking it over carefully I decided that I would await Mr. Marks' visit, to see what, if anything, he had to say regarding your good self. I want to say frankly now that he spoke very well indeed of you, although he did think that you were somewhat suspicious. I told him distinctly that you had good cause to be; that the treatment that you had received from the late Chairman of the Board of Directors was anything but decent; that a year ago last July, when Mr. Schermerhorn and yourself were here at the Jobbers Convention, it was decided that you were to be made Managing Director, and that nothing had been done until my arrival in Europe, about one year thereafter. Of course Mr. Marks had nothing to do with this, and I again reiterate that he had nothing to say of you but good. I have known you too long and too well to take, even from people who have been with us for a few years, information that will compromise you in any way without at least giving you an opportunity of giving your version of anything and everything that may come up. You must know me well enough to know that I am not addicted to anything of this kind. There are two sides to every story and I believe in both parties being heard before any decision is reached; and right here I want to say that I have not up to this writing heard anything directly or indirectly detrimental to yourself.

You will remember that in our last conversations the question of obtaining a satisfactory Sales Manager for the English company

3. 10/21/07. NATIONAL PHONOGRAPH COMPANY Thomas Graf.

was brought up and decided upon and I judged at that time that a suitable man would be obtained by you in due course. This man, of course, must be subordinate to you and follow out your instructions in the same manner as the man in Berlin and the man in Paris. In other words, you must be relieved of the detail, so that you can give your time and attention to the business as a whole.

So far as Mr. Lemoine is concerned, I have no interest in the gentleman one way or the other. I know little about him, but personally he never struck me as being a man of any great resolution, nor did I consider that he could handle a position of any great moment.

Bear in mind that Mr. Marks has not received one bit of information from Mr. Edison or myself, directly or indirectly, conveyed in any of your communications. We simply asked him his opinion and I have stated above his reply. Our talks have been on the general situation from a legal standpoint, such as the Edison-Bell and other suits, but no further, with the exception of the increase of the capital stock of the National Co., Ltd., about which I shall write you later. If any attempt is made to obtain control of the business there by any one or set of individuals, they will find they will have me to deal with, and I am certain that they will not be winners. As we say over here, "I am with you hand and glove". I intend to give you every opportunity to show that you can operate our business satisfactorily on the other side, and if it should be found later on that you are not able to cope with the situation, it is a question that we will take up together and decide what is best to be done under the circumstances. It, of course, goes without saying that should such an event ever happen you would court an investigation and I would be justified in coming to you to invite your co-operation looking to the best interests of our general business. I think you get my meaning and that you will thoroughly understand that so long as we are together we want to work amicably and to the benefit of all concerned, and when such a time comes that this is not possible, then, of course, we must look at it from another standpoint. Judging from the communications which you enclose, they seem to have their own ideas, and the proof is very much against them and very much in your favor. I am glad to know, however, that the matters are being straightened out to your entire satisfaction, and all I can say is to keep a stiff upper hand, and not only will you be upheld as Managing Director in name, but in fact also.

In conclusion I can only say that both Mr. Edison and myself have the most absolute confidence in you. You are placed in a position which, through successive years of hard work, you are entitled to, and we want you to feel that you have our co-operation in every way. If any matters should come up requiring your presence here or my presence there, arrangements can be made in a short time so that you either come over or I will go to London, but I do not feel that this is at all necessary at this time, and I feel that as time goes on you will so master the situation as to be able to handle it to the satisfaction of Mr. Edison and myself.

As I have stated above, Mr. Marks identy with us was, firstly, from a legal standpoint, and, secondly, as a Director in the company,

4. 10/21/07. NATIONAL PHONOGRAPH COMPANY Thomas Graf.

to help get the business operated from an English standpoint, which, as you know, could only be done by the introduction of somebody familiar with the English method of doing business, and we considered at the time that Mr. Marks was about as good a man as we could have obtained.

I have written you thus fully and I think I have covered about all of the points that you have brought up, but if there is anything further that you want to know, I do not want you to hesitate a minute to ask it, as I shall be perfectly frank with you, having nothing to conceal whatever.

Trusting that the entanglements that have occurred in the past will soon be straightened out to your entire satisfaction, and with best wishes for your continued success, in which Mr. Edison joins me, believe me to be,

Yours very truly,

WBG/TWW

President.

NATIONAL PHONOGRAPH COMPANY

Oct. 21, 1907.

Thomas Graf, Esq., Managing Director,
National Phonograph Co., Ltd.,
London, England.

My dear Graf:

The question of increasing the capital stock of the National Phonograph Co., Ltd., was brought up at the time I was last in London by Mr. Marks. It has now been decided to increase the capital stock by £47,000, such stock to be turned over to this company to apply against their current indebtedness. With this end in view, I am about to write a letter similar to the copy enclosed. I do not suppose that you will have any objection whatever to this, but in order to make sure I send it to you forthwith, so if you approve it, cable the word "Approved". If you do not approve it, then cable "Not approved" and give me the reasons therefor in the cable, if possible. I want to settle the matter before Mr. Marks leaves for London. He will be back here early in November, having gone West on other business of his own. You should get this letter a week from to-day and be able to give me an answer before he arrives back from the West, when it will be settled.

Yours very truly,

WEG/IWW

President.

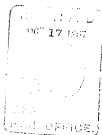
[ATTACHMENT]

National Phonograph Company, Ltd.,
London, England.

Gentlemen:-

In reference to the possibility of adjusting the very considerable indebtedness due us, and concerning which numerous discussions have been had, I propose, with the consent and approval of the Directors of the National Phonograph Company, that the National Phonograph Company Ltd. shall take steps to increase its capitalization by the issue of £47,000. capital stock; and upon such issue, the National Phonograph Company will accept the same, dollar for dollar, in liquidation of an equivalent amount of such indebtedness. Should this proposition be accepted, the National Phonograph Company hereby subscribes to said stock to be issued in amount of £47,000. par value, with the understanding that such stock shall be considered as being paid for in cash by the concurrent reduction of an equivalent amount of said indebtedness, due the National Phonograph Company.

Yours very truly,



Telegrams & Cables: "RANDOMLY, LONDON."
Codes used: A.L.A.S.C. COMMERCIAL.
LIESBEN and HUNTING'S

TRADE
Thomas A. Edison.
MARK.

Phon. - *Mans.*
Telephones
N° 5050 HOLBORN.
1190

FACTORIES.

ORANGE N.J. USA.

BERLIN.

PARIS.

BRUSSELS.

IN REPLYING ADDRESS THE COMPANY, NOT
THE INDIVIDUAL, AND MENTION THESE INITIALS

NATIONAL PHONOGRAPH CO. LTD.

EDISON PHONOGRAPHS & RECORDS.

25, CLERKENWELL ROAD.

THOMAS A.
EDISON'S
PHONOGRAPHS.
GOLD MOULDED
RECORDS.
PROJECTING
KINETOSCOPES.
ORIGINAL FILMS.
BATTERY FAN
MOTORS.
PRIMARY BATTERIES.

London, E.C. November 22nd 1907

Mr. Edison
W.E. Gilmore, Esq. President,
National Phonograph Company,
Orange, New Jersey.

Dear Sir,

The work at the Willesden plant has so far been a very great disappointment to me. From the report which you get from the Willesden plant every week you will no doubt have seen that we are getting practically no results at present. The output of the Willesden plant is so small that at the present time it is of little assistance to us. Mr. Riehl has been very sanguine all through, but so far his expectations have not been realised and I found it necessary not to count on the Willesden plant for another two months. I have therefore arranged in October that all advance records for December, British as well as American advance records will be made at our Berlin plant, thereby relieving the Brussels plant of about 80,000 records per month. The December records have been manufactured at Berlin with fair promptness and I expect it will be better still with the January records.

Due to the exchange which we enforced end of October,

1/3 copy

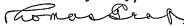
N. P. Co., Ltd.

Nov. 22nd 1907 ⁻²⁻

Mr. Gilmore, Orange.

and due to the Season, the incoming orders are unusually large and to-day our Brussels and Willesden plants are about 133,000 records behind. In other words, the orders which they have to fill are equivalent to the output of the two factories for approximately the next two weeks. As the daily influx of orders is very satisfactory and as I cannot expect an immediate increase of the supply from the Willesden plant for many a week to come I have found it necessary to call on you for help, and I have therefore yesterday cabled you an order for 62,300 records, of such titles which are ready sellers and about which there is no fear of overstocking. I do not know at present how far you can possibly help me in that matter, but should I find that this order can be executed from Orange promptly I will work out and cable you a second smaller order.

Yours very truly,


Managing Director

Th.G/Sch.Dict.22.

C.H.W.

Dec. 3, 1907.

Mr. Thomas Graf, Managing Director,
National Phonograph Co. Ltd.,
London, England.

Dear Sir:

Your communication of the 22nd, addressed to Mr. Gilmore, having reference to the Willerden plant, at hand, and in his absence I simply acknowledge same, saying we are very sorry to learn that this plant has not yet come up to expectations, and trust that these conditions will soon change for the better.

I have no doubt but that the arrangement you have made, whereby the advance records for December will be made at Berlin plant, will turn out to be the proper course to have taken; at any rate, you are in a much better position to decide questions of this nature, than anyone else.

We are certainly pleased to note that your record orders are in every way satisfactory, and as to your calling on us for assistance in order to fill them promptly, we are pleased to advise that we can fill promptly and practically complete any orders you may send us. Your order for 62,300 records was gotten out and shipped within four days; the larger portion of it going forward within two days, and from the present indications, we will be able to fill any future orders you may send us equally as prompt.

Your letter will, of course, be submitted to Mr. Gilmore immediately he returns, and should there be anything further he desires to write you in connection therewith, you will then hear from him direct.

Yours very truly,

CHW/L

Asst. Gen. Mgr.

Telegrams & Cables, "RANDOMLY, LONDON"
Codes used. A. I. A. B. C. COMMERCIAL
LETTERS AND MONTHS

TRADE
Thomas A. Edison.
MARK.

Telephones

No 5050 HOLBORN,
1190

Plan - Sales

See also M.P. - Sales

FACTORIES.

ORANGE N.J. USA
BERLIN
PARIS
BRUSSELS

NATIONAL PHONOGRAPH CO. LTD.
EDISON PHONOGRAPHS & RECORDS.

25, CLERKENWELL ROAD.

THOMAS A.
EDISON'S
PHONOGRAPHS
GOLD-INGRAVED
RECORDS.
PROJECTING
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OPTICIAN, FILMS,
BATTERY FAN
MOTORS
PRIMARY BATTERIES.

IF REQUIRING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE PARTICULARS

London, E.C. 4
December 4th 1907

W.E. Gilmore, Esq. President,
National Phonograph Company,
Orange, New Jersey.

Handwritten signature and date:
12/16/07
W.E.G.

Dear Sir,

Kindly excuse if I have not yet acknowledged your personal letter of October 1st. I am very pleased that you have written me thus fully, and the information given will, of course, be treated strictly confidential.

As far as the increase in our staff is concerned I regret to say that I have not been able to make headway as quickly as I should wish, but I believe that I have now found the proper person for the position of Sales Manager.

I likewise received your letter having reference to the increase of the capital stock, and at the time when I received your letter I cabled you the word "Approved". When Mr. Marks returned from America he told me of the arrangements which are being made with regard to the capital stock, which are entirely satisfactory to me, but Mr. Marks and I have agreed not to carry out this plan just at the present moment, because I do not wish to pay the heavy expenses, stamps, fees etc. which are connected with the registration of the increased capital

N. P. Co., Ltd.

-2-
Dec. 4th 1907

Mr. Gilmore, Orange.

stock.

As far as the adjustment of the capital of the Edison Gesellschaft in Berlin is concerned I have not done anything in that matter, but I am waiting till Mr. Puschler will come over here to close our books, as usual, when I shall go with him into that matter with a view of finally settling it.

With the exception of the consolidation of the books of the factory and the sales end, as far as London and Willesden is concerned he will I believe find less work to do than in any of the previous years.

Thanking you again for your very complete and frank letter which has done me a lot of good, I am

Yours very truly,


Managing Director

Th. R./Sch. Dict. 4.

Mr. Edison:

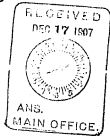
Referring to the attached letter from Mr. Graf, regarding our suit in Germany against the Columbia Co., this looks quite favorable for us. Please return with your comments.

12/13/07.

W. E. Gilmore.

Enc-A

Graf is a buy one
E.



[ATTACHMENT]

EDISON-GESELLSCHAFT M.B.H.

25, CLERKENWELL ROAD,

Columbia
ALLEGEDLY "RANDOMLY."

London, E. C. December 4th-1907

W.E.Gilmore, Esq. President,
National Phonograph Company,
Or a n g o , New Jersey.



Dear Sir,

Infringement suit against Columbia Co. and others.

The above case which was decided against us in the lower court, has been brought before the court of appeal, and the first hearing took place on last Saturday November 30th. No decision was rendered, and if I nevertheless send you a report I do so because I feel you will be interested to hear that our case is now in better hands than previous. If the judges in the lower court were unjustly against us, the "Kammergericht" (court of appeal) seems willing to make good for it. The proceedings are very interesting.

The court consisted of three members: two judges, and the President of the superior court, Mr. Kindl.

We were represented by Dr. Magnus, assisted by Dr. Seligschn.

The Columbia Co. was represented by Dr. Isay, Koch, and Lazarus.

At the beginning the attorney of the Columbia etc., who was very nervous, endeavoured to get an adjournment of the case. Our attorney protested and the president of the court, Mr. Kindl, declared, there was no cause whatsoever for adjournment.

[ATTACHMENT]

Edison-Gesellschaft m. b. H.
BERLIN N.

-2-
Dec.4th 1907

Mr. Gilmore, Orange.

Thereupon Dr. Isay replied that he would not consider it necessary to adjourn if the court would decide to call in an expert. The president replied that it may be quite possible that the court would come to a decision to-day altering the decision of the first court, but he believed that the court would decide to call in an expert before deciding, in order to get their opinion confirmed. This all was preliminary to the actual pleading, which now commenced when president Kindl lectured on the decision of the court of first instance, criticising same very severely and accepting materially our arguments. Especially the opinion of our new expert, Dr. Traube, has made a very favorable impression on him. He mentioned this several times and declared that he was very glad to have his own views confirmed by Dr. Traube's opinion. The position taken by president Kindl was, of course, very unpleasant to our opponents, but Kindl was not to be shaken, and when Dr. Isay (opponent) began his pleading by saying: "I believe Mr. President that I shall convince you" the president drily remarked: "I don't think so Dr. Isay, for I have looked into this matter very closely and I know what I have to think of it". The court evidently did not care to make a similar mistake as the lower court, to decide without getting independent experts' opinion, and consequently they decided to call in an expert, his examination to take place, not as usual, through one specially delegated judge, but before the court in full session. Now the question of electing an expert had to be decided. President Kindl suggested

[ATTACHMENT]

Edison-Gesellschaft m. b. H.
BERLIN N.

-3-
Dec. 4th 1907

Mr. Gilmore, Orange.

the Rector of the Technical College at Charlottenburg should be requested to name an expert. It was contended, however, that the rector of that college would be placed in rather an awkward position, considering that both party-experts, Professor Miethe and Prof. Traube (Edison Gesellschaft) as well as Prof. Schlesinger (for Columbia) are teaching at the same college and have given contradictory opinions. Then Dr. Isay said: "I should like to make a suggestion", to which president Kindl replied smiling: "Well, I suppose it will be declined, but speak". Isay then suggested to ask the "German Association of Phonograph Manufacturers" to name an expert. Very appropriately our attorney Dr. Magnus remarked that this proposition would mean to set a fox to keep the geese, and Isay's suggestion was declined. Then it occurred to Dr. Seligsohn the Patent Office should be requested to name an expert. Dr. Isay (Columbia) of course, protested, because the Patent Office had recently decided in our favor in the suit for revocation of the Desbrière patent, but the court was in favor and it was finally decided to request the Imperial Patent Office to name an expert.

And now Kindl crowned all. Namely when our attorney Dr. Magnus said that he would leave it to the court to call in 2 experts (which is usual in case of dissention) in order to get the case decided without delay, president Kindl replied to him: "Two experts are not necessary, one is entirely sufficient for me, only in case that one expert should give an opinion favorable to your opponents, I shall then probably call in a

[ATTACHMENT]

Edison-Gesellschaft n. h. H.
BERLIN N.

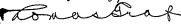
-4-
Dec. 4th 1907

Mr. Gilmore, Orange.

second expert, because I would then consider the first expert's opinion being wrong".

You can imagine the long faces of the opponents in the court, and the satisfaction on our part.

Yours very truly,


General Manager

Th. G/Sch. Dict. 4.

[ATTACHMENT]

Bye
Please

Write &
Return with
your comments

WVS
2

12/19/07

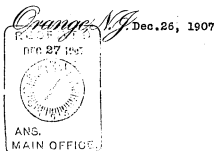
[ATTACHMENT]

Legal Department.

*Thomas A. Edison:
National Graphophone Co.
Edison Manufacturing Co.
Edison Manufacturing Co.
Edison Storage Battery Co.*

*Telephone 207 Orange!
Call Address "Edison Orange!"*

Frank L. Dyer, General Counsel



W. E. Gilmore, Esq.,
Orange, New Jersey.

Dear Sir:--

Regarding the attached letter from Mr. Graf of the 4th inst., in reference to our suits in Germany against the Columbia Company, and other infringers, I think the situation is certainly very encouraging. Apparently the Appeal Court is with us, if Mr. Graf has been entirely impartial in his report. At the same time I have very often had the very unpleasant experience of being misled by the remarks of judges during the argument of cases. They sometimes give very different impressions at hearings than those which they reach as a result of an examination of the testimony. Of course, it will be a fine thing if we should succeed with these German suits, but do not be entirely confident of the results.

Yours very truly,

Frank L. Dyer

F.L.D./M.L.

Dear Mr. Edison:

I think we should not enter into any arrangement whatsoever with Hough or Columbia - they would use it to our

Note attached letter from Mr. Marks, as well as the letter referred to from Mr. J. E. Hough of the Edison-Bell Co. Mr. Hough evidently has his hands full and is looking for us to help him "pull his chestnuts out of the fire." I do not see that any arrangement made with his concern and the Columbia Co. would be of any benefit to us ~~whatsoever~~.

At least we would lose rather than
I am also attaching letter that I have just received from Graf, from which you will see that his business has been picking up. Of course ~~you~~ *you* go on without saying that we do not want to do anything without having Graf's opinion. It seems to me that just what Hough is driving at will eventually occur, and the little fellows will be driven from the field. I am satisfied that the reduction in price to 25 cents on the other side is going to have a good effect so far as increasing our business is concerned over there with a natural decrease in the business of the others. They may decrease their list prices, but they cannot continue to make records at a profit. Hough is feeling it already, and he has reduced the price of his records, as you will remember, to ~~10~~ *10* cents, and is now looking for us to help him out of his troubles. Personally, I do not want to have anything to do with him, and so far as the Columbia Co. is concerned, I would not trust them around the block. I am still of the same old opinion, and that is, that we should "paddle our own canoe" and have nothing whatever to do with either of these concerns.

I also attach letter from Mr. Marks, in which he encloses copy of the last annual report of the Edison-Bell Consolidated Phonograph Co., Ltd., from which you will see that their profits were very small and the greater portion of them have been written off against "Patent" Account. It still leaves the "Patent Account" very large and absolutely worthless, as, of course, the patents have all expired.

I should be glad if you will return all of these papers to me with your comments, and I have instructed Walker to go up with the papers so that you can dictate your reply, as, of course, I should answer Marks very quickly.

W. R. Gilmore.

12/16/07.
Enc-A

[ENCLOSURE]

Telephone
No 3415 Central.

18, Southampton Buildings,
Chancery Lane, London.

File
Dear Mr. Lilmore 17/11/07 -

Send me a letter from Mr. Hough
which is peculiar and significant as showing how
they are feeling the pinch of making machines
which probably does pay them as they had
expected - I have said in reply that I have
to be busy for a week after which I will
go into the matter with my Co-directors. Perhaps
you will cable me your wishes on the proposal.
How are the Columbia doing in U.S.A?
*Yours faithfully,
C. Howard Marks*

[ENCLOSURE]

(COPY)

39 Charing Cross Road, W.C.
4th Nov. 07.

Dr. Mr. Croydon Marks:

The other day I casually mentioned a method by which I thought the chaos and general unsatisfactory conditions under which the phonograph trade is laboring might be largely mitigated and eventually cured.

As matters now stand, any person with a reasonable amount of practical knowledge may in combination with a very small capital embark in the manufacture of phonograph records. Now the record is or should be the "cream" of the trade and these incidental interlopers jump in to skin it. There have been four instances of this, three of them now existing, viz: The White, the Sterling and the Clarion records.

There are but three manufacturers of phonographs who need be considered--The Edison, Columbia and ourselves; and I, having thought the matter out very fully since seeing you have concluded that there is only one way to squelch this unfair competition as at present existing and prevent exploiters in the same direction.

It is to agree, i. e., National, Columbia and ourselves, that we will not supply or permit to be supplied any of our respective goods to any factor or dealer who handles records made by any manufacturer who is not also a bona fide maker of phonographs or graphophones--Handling makes from Germany, France, or goods made by other firms than the makers of the records themselves would not be accepted as complying with the conditions. In this there is the primary element of justice, as without machines records would be useless and the manufacture of machines is not nearly so profitable as that of records. Besides, to make machines requires such an outlay of capital that none but very substantial people could undertake it.

It would have a very far reaching effect and I believe would be welcomed by all good factors, who must by this time have realized the loss and inconvenience of handling so many different types of records.

There are other great advantages also--one--and this is specially oppressive on factors--Too many records are issued every month--about 100. The dealers are spoiled, also the public, by too free a choice. The factor is oppressed by having too many new titles constantly being rushed upon him, and the manufacturer by not selling as many of each title as the public would absorb if fewer were issued.

Another thing--Arrangements could be arranged so that artists would not be so swell-headed, by each company not employing another's artists except by consent, or such artists as each may give notice of as being specially desired by them. Of course this can be

[ENCLOSURE]

modified in any reasonable way, but the inflated fees which these people are paid are mainly due to the competition existing between us and others.

Price maintenance can by this co-operation be better maintained and insisted on, and some device agreed to effect the relief in some reasonable way of unfashionable stock.

New starters with a dozen or so titles would have little chance, for any dealer would think twice before ordering if he knew that he would be cut off standard supplies and would lose the opportunity of selling the hundreds of records in the established lists, and I believe it would to a large extent result in the sales of the country being in two hands.

I have only touched upon the subject and would like to thoroughly discuss it with you and whomsoever you may choose of the National staff, - in whose secrecy you can rely, as you see I am not employing the typist here - so as to keep the matter private.

Yrs. truly,
J. E. Hough.

J. Croylow Marks
MEMBER
Consulting Engineer & Patent Expert.
TELEGRAPHIC ADDRESS: RECORDS, LONDON.
TELEPHONE NO. { LONDON 638, HOLBORN,
BIRMINGHAM, 668,
MANCHESTER, 4272.
— AND AT —
13, TEMPLE STREET, BIRMINGHAM.
30, CROSS STREET, MANCHESTER.

18. Southampton Buildings,
Chancery Lane.
London, W.C. December 18th, '07.

W. E. Gilmore Esq.,
Orange, N.J.,
U. S. A.

Dear Mr. Gilmore,

I am sending you the best news that I have had to send over for a long time in confirming the cable as to the Court of Appeal deciding unanimously in our favour against Edison-Bell on the conspiracy case.

I should like you to have been present to have seen Mr. Hough and his crowd this morning. His face looked many hues, and, while he attempted to smile it off, the smile was of the sickly order. He came to me afterwards and said he must congratulate me upon a ray of sunshine to which I replied that I thought the sun would have to shine a little brightly into Edison-Bell offices before congratulations were all over, as this was only the beginning of the refreshment that the sun would bring to us.

I will send on a transcript of the judgment. There were three separate judgments, and, while some of them differed on the points of law, they were unanimous as to damages that we have suffered.

11/21/08

G. C. M.

W. H. Gilmore Esq.

Page 2

Things in France, too, are brightening. Pathe' Brothers

want to settle but I am not troubling you with details until definite proposals have come to hand as to what they will pay us. I am going into this personally and visiting Paris for the purpose. The German case is also going apparently in our favour so that it looks like our coming into our own in the end all along the line. The remarks the Judges made as to the deceit that was practised by Edison-Bell and the fact that they had thought it necessary to resort to such contemptible practice to purchase our machines established the utility and value of these goods.

I must congratulate you all in America upon this upholding of our rights against ~~unfair~~ competition.

Yours faithfully,

E. Croghan Marks

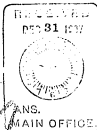
[ATTACHMENT]

Mr Edison

note
with 62 cents how we
settle with Pathé

Gilman

12/31/07



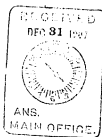
[ATTACHMENT]

Mr. Gilmore:-

I enclose copy of a letter written today
to Mr. Marks in reference to the Edison-Bell Conspiracy
case.

F.L.D.

Dec. 30, 1907



[ATTACHMENT]

Dec. 30, 1907

G. Croydon Marks, Esq.,
18 Southampton Bldgs.,
London, England.

My dear Mr. Marks:-

Yours of the 18th inst. is received and I am much pleased to have you confirm your previous cablegram as to the decision in our favor by the Court of Appeal in the Edison-Bell Conspiracy case. You must admit that you were very faint hearted concerning this matter, and I am glad that I insisted that it should be gone ahead with. Upon discussing the case with Messrs. Edison and Gilmore, it is needless to say that they were both much gratified at your success, and they are both of the unalterable conviction now that we have penetrated the armor of the Edison-Bell people, that we should push the case to the uttermost limit, and that if any damages are to be secured, they must be exacted to the last farthing. To achieve this result, you are authorized to take any necessary steps to make the accounting as effective and harassing to the Edison-Bell Company as possible.

[ATTACHMENT]

No. - 2 GCM.

In reference to the Marks-Pathé suit in Paris, I note that there is a possibility of settlement. My position in this matter has been somewhat embarrassing, because when I was in Paris in 1904, I was led to believe that the action would be pressed and would be brought on for hearing sometime in the following summer (1905). The delays have been very discouraging, both to Mr. Edison and to Mr. Gilmore, and they have requested me to ask that you take up the matter and see if something cannot be done to facilitate it.

Yours very truly,

ELD/ARK.

General Counsel.

Phono-Graph Co. - Mexico

File

Orange, N. J., Dec. 30, 1907.

J. F. Randolph, Esq.,

Orange, N. J.

Dear Sir:

A Special Meeting of the Directors of the Mexican National Phonograph Co. will be held Thursday, January 2, 1908, at 3 o'clock in the afternoon at the Edison Laboratory, West Orange, N. J.

The purpose of this meeting is to take action on the resignation of the Managing Director of the Company's office in Mexico City and the appointment of his successor, and such other business as may come before the meeting.

Yours very truly,

MEXICAN NATIONAL PHONOGRAPH CO.,

By

A. Westee

Secretary.

Mr. Edison:

Note attached letter from Graf, which I send you as a matter of information. When the enclosures he refers to come in I shall be very glad to have you see these. Please return same with your comments, if any.

12/30/07.

W. E. Gilmore.

Enc-B

All we have to do is make good stuff -
Keep improving what's in it

Subscribed Mr. Edison
Corporate report
H. J. Stewart
12/30/07

[ENCLOSURE]

Telegrams & Cables "RANDOMLY, LONDON"
Codes used, A. I. A. B. C. COMMERCIAL,
LITENS and HUNTING'S



Phon. - Manuf.

Telephones
No 2050 HOLBORN.
1190

FACTORIES.

ORANGE N.J. USA.
BERLIN.
PARIS.
BRUSSELS.

NATIONAL PHONOGRAPH CO. LTD.

EDISON PHONOGRAPHS & RECORDS.

25, CLERKENWELL ROAD.

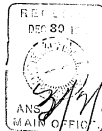
THOMAS A.
EDISON'S
PHONOGRAPHS,
GOLD MOUNTAIN
RECORDS,
PROJECTING
KINETOSCOPES,
ORIGINAL FILMS,
BATTERY FAN
MOTORS,
PRIMARY BATTERIES.

IN REFERENCE HEREBY TO THE COMPANY SET
THE INDIVIDUAL AND MENTION THESE INITIALS

London, E.C.

December 19th 1907

W.E. Gilmore, Esq. President,
National Phonograph Company,
Orange, New Jersey.



Dear Sir,

I herewith beg to give you a few lines on miscellaneous matters. About the German patent case I have reported you in my letter of December 4th.

A very good thing that we decided to continue the case against Pathé Frères with regard to the Desbrière patent. Also this case seems to take a favourable turn and I understand that Pathé are prepared to enter into an arrangement with us with a view to having us drop the action. They have approached Brandon Bros. and it appears that they are willing to pay damages on all the records they have sold and they wish to have a license to work under the Desbrière patent. These negotiations, however, are not sufficiently advanced for a fuller report; as soon as they are Mr. Marks will no doubt communicate with you.

The Conspiracy Case which we have brought a long time ago against the Edison-Bell Company and which in the lower Court was decided against us has now been decided in our favour, as

[ENCLOSURE]

N. P. Co., Ltd.

Mr. Gilmore, Orange.

copy enclosed

-2-
December 19th

you will see from the enclosed report in "The Times" December 19th, and from Mr. Marks full report. It is true that the Libel Case in which the Edison-Bell Company are plaintiffs has been decided against us, inasmuch as the court is of opinion that the Edison-Bell people have sustained some damages. It will now be for us when the damages will be assessed to prove that there were no damages, and the evidence which we have obtained from the Edison-Bell books is such that in my opinion at least we shall be able to prove that there were no damages.

Beginning with this year our business in this country had a decided downward tendency, as the monthly comparisons of last year's business will show, and while the reduction in the price of our records designed to improve conditions will finally work out to our benefit the increase in sales did not come as quick as I anticipated. This of course must be accounted for by the disturbance in the trade which immediately followed the price reduction and which expressed itself in different ways. Dealers have kept back with their orders longer than they should, the dealers' stock in Edison-Bell, Sterling, Pathé etc. was thrown on the market at any price, and it is only since end of November that we feel an improvement. Thus to my great regret I shall not be able to make a good showing this year, and the only satisfaction which I have is that while we have been suffering ourselves the dissolution of the other cylinder concerns is rapidly progressing. The Edison-Bell and the Sterling Co. are at their wits end and the coming month will

[ENCLOSURE]

N. P. Co., Ltd.

Mr. Gilmore, Orange.

-3-
December 19th

bring interesting developments.

The Clarion Record, a new product, I am informed is having a good sale, which is not surprising as they sell quite a good record to the public at 9d. They were fortunate to start just at the commencement of the busy season. It is a question whether they can make sufficient profit at that price to prevent their starvation when the summer season sets in.

Similar conditions prevail in Germany and on the Continent. The "Electra" of Namslau, record manufacturers, who among others are defendants in our patent suit, are in liquidation. The Columbia are not selling any cylinder records in Germany. Another concern in Berlin (defendant in our patent suit) are selling out their stock. The only record which may be mentioned to exist is the Echo record, lately put on the German market by White's correspondent in Berlin. Their sale, however, is not worth mentioning and there is no doubt that the record will disappear in the near future.

Pathé Frères, so I am informed, have largely reduced their Russian phonograph and film enterprises. They had an extensive establishment at Moscow and Petersburg. The Moscow enterprise has been given up and consolidated with the Petersburg place, and likewise a complete change has been effected in the staff at Petersburg. Pathé's opinion on the cylinder situation is indicated by the enclosed original letter to a Belgian dealer. The translation reads as follows:

"We are pleased to inform you that we can authorize

[ENCLOSURE]

N. P. Co., Ltd.

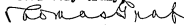
-4-
Dec.19th 1907

Mr. Gilmore, Orange.

"you to sell cylinders and cylinder machines in Belgium at
"such prices and conditions as you may think fit etc.etc."

I expect that the cylinder market here as well as
on the Continent will be in a very anarchic state during the
next few months-, all our competitors the Edison-Bell, Sterling,
Columbia, Pathé Frères etc. have a very large stock of records
which it is my opinion will be thrown on the market after
Christmas. I anticipate that their cylinders will be sold
in masses at almost any price until the remaining stock is ex-
hausted. Pathé's notice to the Belgian dealer is an indication
of it. How this will affect our business I cannot say, but
whatever the effect may be we shall ultimately benefit. We are
very near the time when there will be only Edison records on
the one side and discs on the other. To illustrate the
situation I am sending you under separate cover the last issue
of a German trade paper on which I have marked in blue pencil
all the advertisements of disc manufacturers, and in red ink
all the advertisements that refer to moulded records.

Yours very truly,


Managing Director

[ENCLOSURE]

GRAND PRIX
PARIS 1900



Adresse Télégraphique:
PHONOGRAPH - PARIS

Phonographes Pathé

C^{te} G^{te} DE PHONOGRAPHES-CINÉMATOGRAPHES & APPAREILS DE PRÉCISION

Société Anonyme, Capital: 4.400.000

PARIS-LONDRES-BERLIN
BRUXELLES-VIENNE
MILAN-MOSCOU

SIÈGE SOCIAL: 98, Rue de Richelieu, PARIS

—
TÉLÉPHONES
247-44 - 247-65

Paris, le
(2^{me} Arr^t)

14 Décembre 1907

Monsieur Carpentier-Laga

St. Ghislain

Nous avons l'honneur de vous informer que nous vous autorisons à vendre en Belgique nos cylindres et appareils à cylindres aux prix et conditions que bon vous semblera.

Nous vous prions d'agréer, nos salutations empressées.

LE DIRECTEUR

**National Phonograph Company Records
Correspondence, Domestic (1908)**

This folder contains correspondence and other documents relating to the commercial exploitation of phonographs in the United States. Most of the items are letters to or from William E. Gilmore, president of NPCo, and his successor, Frank L. Dyer. Other correspondents include Carl H. Wilson, assistant general manager (general manager after Gilmore's resignation); Leonard C. McChesney, manager of the Advertising Department; and F. K. Dolbeer, manager of sales. Included are letters pertaining to the manufacture, distribution, and sale of phonographs and cylinder records, as well as correspondence about litigation, patents, copyrights, and other legal matters. Among the documents for 1908 are items concerning the introduction of Amberola records, the activities of the Advertising Department and its relations with the Essex Press, and competition with the Victor company. There is also correspondence regarding a decision in the New York Phonograph Co. case, memoranda outlining an agreement with the chemist Jonas W. Aylsworth over patent rights, and minutes of executive committee meetings and a meeting with company salesmen.

Approximately 15 percent of the documents have been selected. Among the items not selected are documents pertaining to ongoing litigation and to the business of individual dealers and jobbers.

Mr. Edison:

I attach letter from Mr. Dolbeer enclosing communication from Geo. C. Silzer, salesman for Harger & Elish, which kindly note and return with any comments you may have to make.

1/15/08.

W. E. Gilmore.

Enc-D

W



This looks Encouraging
E

[ENCLOSURE]

W. C. GILMORE,
PRESIDENT & GENERAL MANAGER.

C. H. WILSON,
MANAGING GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.

A. WESTE,
SECRETARY.



W. C. Gilmore
President & General Manager

Phon. - Sales
NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

10 FIFTH AVENUE, NEW YORK

LONDON.
PARIS.
BERLIN.
BRUSSELS.
SYDNEY.
MEXICO CITY.
BUENOS AIRES.

CABLE ADDRESS
"SYNCHRO-N.Y."

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

ADDRESS YOUR REPLY TO

P. K. D.

New York

JAN. 15-1908.

Mr. Wm. B. Gilmore, President,
National Phonograph Company,

Orange, N. J.

Dear Sir:--

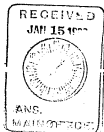
You will find herewith enclosed, copy of letter written by Mr. Geo. C. Silzer, travelling salesman for our jobbers Messrs. Harger & Blish, Dubuque, Iowa, and addressed to our travelling man Mr. Kreusch. The original of this you saw yesterday, but I assumed you might want to show this to Mr. Edison, giving him an idea as to the conditions in Iowa.

Yours very truly,

G. F. Dalbey
MANAGER OF SALES.

enc

2



[ENCLOSURE]

C O P Y

Cedar Rapids, Iowa, 1/4/07.

Dear Kreuzschl-

Your letter received and glad to hear from you, but sorry that you were taken away from us. Blish expressed his regret at that change also. I hope, however, to see you occasionally.

You will excuse me for not answering sooner, when I tell you that we were nearly wild with business. Our Edison business is growing so fast that we can hardly keep pace with it. The Saturday before Xmas. our boys (?) picked orders until 3 o'clock Sunday morning. In two weeks I got 8 initial Edison orders out on the road. I signed up the Red Cross Drug Co., Dubuque, and Gmas. Falkenheimer, Dubuque, and have 2 more prospects in Dubuque. Why, it's the biggest kind of a proposition. Blish said last week he was confident that it had cost us thousands of dollars because we waited that year before we put in the Edison line.

Blish says I've got to stay out all the time, and we have another regular man west, and before the year is out will probably put on 2 more. He is tickled with it, and you can imagine he is when I tell you he already figures on giving the T.M. Dept. another floor in the building so we can handle it.

My last trip before Christmas was a 16 day trip and I sold a trifle over \$2,100 in that time, not counting mail order repeat orders. Today I sold almost \$400 worth right here in Cedar Rapids. Monday I expect to place an INITIAL ORDER in Waterloo for about 1,000 titles to start with. I've got some dandy prospects for all along the line. We are just beginning to realize what we have been missing; in fact, "Our eyes were open, but we were sound asleep" until we put in the Edison.

Well, I don't want to bore you with any more, but I will say I never was as enthusiastic in my life over the prospects of business in sight, as I am now.

Very truly yours,

Geo. C. Silzer.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

C. H. WILSON,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.

A. WESTE,
SECRETARY.



THOMAS A. EDISON

NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.
10 FIFTH AVENUE NEW YORK

LONDON.
PARIS.
BERLIN.
BRUSSELS.
SYDNEY.
MEXICO CITY.
BUENOS AIRES.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYHOTIC, NEW YORK"

Orange, N. J. Jan. 16, 1908.

Mr. J. F. Randolph, Treas.,
Laboratory.

*Credit New Jersey with
on the Books \$ 35,000.00*

Dear Sir: The arrangement with Mr. J. W. Aylsworth, as made between Mr. Edison, him and myself, is that he will be paid by the New Jersey Patent Co. a total sum of \$35,000.00, \$25,000.00 of which is to cover all patents that he has taken out in connection with the manufacture of the 200-thread records, and the additional \$10,000.00 to cover all of the machinery that must be designed for the manufacture of the said record, all being based on the condition that it is made a commercial success. My understanding is that Mr. Aylsworth has been paid a total of \$12,500.00 against the above total of \$35,000.00 so that at this writing there is a balance still due of \$22,500.00.

I send this to you as a matter of record and would suggest that you have it approved by Mr. Edison, provided it is necessary so to do.

Yours very truly,

W. E. Gilmore
President.

WEG/IWW

P.S. Mr. Walter H. Miller is also to be paid the sum of \$10,000.00 for his work in connection with the manufacture of the 200-thread record, which amount was agreed upon by Mr. Edison, and against which he has already received the sum of \$2,500.00, the final payment being contingent on the commercial success of this new record.

Credit Walter Miller on the Books \$ 10,000.00

[ATTACHMENT]

Johny

Pay Jwa. \$2500- from
N.H.M. Co. in account
of Jwa. for hand job thread
Record -

JAG

2/20/07

Received the above
Twenty five hundred dollars
JAG

Jwa. \$ 10000-
N.H.M. 10000-
\$ 20,000-

If Walter Miller wants
\$2500, advance it
to him on this
account

JAG

[ATTACHMENT]

(4)

Randolph

The N.Y. Patent
fee is to pay to
J. V. Aylward at the
sum of Twenty five
thousand (\$25,000.)
dollars for certain
patents that have
already been allowed
in the U.S. Patent
office, and which
have been filed in
certain other foreign
countries. This will be
paid from time to
time as I should
hereafter indicate. ^{Indicated}
W. C. Kline
W. C. Kline

[ATTACHMENT]

Legal Department.

*Thomas A. Edison.
National Phonograph Co.
Edison Manufacturing Co.
Bates Manufacturing Co.
Edison Storage Battery Co.*



*Patricia M. Cramer
"Collector's Legal Office"*

*Frank L. Dyer, Counsel
Delos H. Kellen, Assistant Counsel*

Orange, N.J. Feb. 21, 1907

William E. Gilmore, Esq.,
Orange, New Jersey

Dear Sir:--

The following is a brief report or resume on the more recent inventions of Mr. Aylsworth, relating to the phonographic art:

No. 676,111, granted June 11, 1901: Record Composition containing soda and lead soaps, resin such as colophony, and hydrocarbon such as ceresin. The material is amorphous and almost transparent.

PENDING APPLICATIONS

Serial No. 290,540, filed December 6, 1905: Process and Apparatus for Duplicating by placing an expansible celluloid blank in a matrix, exhausting the air between the blank and the matrix, softening the blank and expanding the same into engagement with the matrix. All the claims - 4 - are rejected. This I do not regard as important, since the manufacture of celluloid records seems very remote.

[ATTACHMENT]

WEG--2

Serial No. 316,250, filed May 11, 1906: Process and Apparatus for Making Duplicate Phonograph Records by rotating at high speed a hot mold containing molten material. Allowed November 19, 1906.

Serial No. 317,082, filed May 16, 1906: Process and Apparatus for making duplicate records by introducing within a rotating heated mold, a charge of solid fusible material. Allowed October 2, 1906.

Serial No. 317,083, filed May 16th, 1906: Process of Duplicating with a rapidly rotating thin tubular mold. Allowed August 28, 1906.

Serial No. 319,421, filed May 31, 1906: Record Composition of Asphalt and Stearine Pitch and sometimes stearic acid. Allowed January 9, 1907.

Serial No. 319,422, filed May 31, 1906: Process, Apparatus and Record using a surfacing layer of the transparent composition of patent No. 676,111, and an inner or body layer of asphalt and stearine pitch. Allowed October 20, 1906.

Serial No. 319,464, filed May 31, 1906: Process of making Duplicate Records by a rapidly rotating mold by introducing a solution of a solid material, and evaporating the solvent therefrom, as by a blast of air. Allowed September 27, 1906.

Serial No. 319,465, filed May 31, 1906: A Celluloid Composition, practically non-inflammable, licensed to National Phonograph Company for Phonograph Records and Moving Picture Films. Of the six claims, two are rejected and four allowed. The allowed claims fully cover the invention.

[ATTACHMENT]

WEG--3

Serial No. 319,466, filed May 31, 1906: Duplicate Sound Record composed of a practically non-inflammable celluloid, that is, celluloid mixed or combined with halogenized stearic acid. Allowed January 8th, 1907.

Serial No. 322,078, filed June 16, 1906: A Sound Record of celluloid like material in which the sound record is cast on the exterior as distinguished from pressed. The one claim is rejected, but I expect to secure its allowance. The invention however, is not, in my opinion, important.

Serial No. 342,317, filed November 7, 1906: Composition composed of asphalt and a metallic stearate such as stearate of lead and sometimes copal gum. Allowed November 28, 1906.

Serial No. 342,318, filed November 7, 1906: A composite Record comprising an outer layer of asphalt, or asphalt, stearate of lead and resin gum, and an inner layer of stearate of soda. Of the ten claims, four are rejected and six allowed. The allowed claims fully protect the invention.

Serial No. 353,007, filed January 19th, 1907: Process of making blanks by rotating a hot mold at a high speed, cooling and removing the blank and shaving off the outer surface thereof. An office letter indicating the allowance of the claims has been received but some formal changes are required by the Patent Office.

I remain,

Yours very truly

Frank L. Ryan

FLD/MFL

Site *W.E.H.* *Sales*
RECEIVED FEB 8 1908
Buffalo Office
Messrs. Bird..Youmans..Riley..Looming..Ireton..Philips..Dolbeer:

Confirming verbal instructions issued yesterday morning, you are to make no shipments whatever, either directly or indirectly of phonographs or parts thereof, to Jobbers, Dealers or Users in New York City, or New York State. Neither are we to make any such shipments to the Douglas Phonograph Co. at Newark. ~~Such~~ shipments may continue as heretofore.

This does not prohibit the shipping of machines on orders received from our Foreign Department, which necessarily have to be shipped into New York but are again shipped to foreign countries. These instructions must be absolutely complied with.

2/7/08.

C. H. Wilson.

Copies to Messrs. Gilmore..Weber..Dyer.

Form No. 260.

THE WESTERN UNION TELEGRAPH COMPANY.

24,000 OFFICES IN AMERICA. INCORPORATED IN NEW YORK. CABLE SERVICE TO ALL THE WORLD.

ROBERT C. CLOWRY, President and General Manager.

Receiver's No.

Time Filed

Check

SEND the following message subject to the terms on back hereof, which are hereby agreed to.

Feb. 7, 1908.

Nelson C. Durand,
c/o National Phonograph Co.,
856 Ellicott Square Bldg.,
Buffalo, N. Y.

Absolutely close Buffalo Office upon receipt of this message, and transact no further business of any kind or nature, even discontinuing all correspondence. Return all goods, furniture and fixtures to factory at once. Advise all salesmen and representatives doing business through or for Buffalo Office to this effect, and instruct them accordingly.

C. H. Wilson.

Thomas A. Edison
National Phonograph Co.
Edison Manufacturing Co.
Bates Manufacturing Co.
Edison Storage Battery Co.

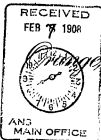
New York, N.Y.

Legal Department.

Phon. - Legal

*Telephone 207 Orange!
Cable Address Edison Orange!*

Frank L. Dyer, General Counsel



Feb. 7, 1908.

Wm. E. Gilmore, Esq.,
Orange, N.J.

Dear Mr. Gilmore:-

In order that we may comply exactly with the decision of Judge Hazel on the contempt motion in the New York Phonograph case, and confirming the advice which I have already given you verbally, I beg to advise you as follows:-

From now on, the vacuum deposit process must not be carried out in connection with the manufacture of any molds from which records are to be made for shipment into the State of New York, but all such molds must be made by the graphite process. Commencing October 18th of next year (1909) the vacuum deposit process can be resumed for the manufacture of molds from which records are to be made for shipment into the State of New York.

No orders for machines for shipment into the State of New York are to be filled until certain features have been eliminated. These features are the following:-

No.--2--WEG.

- First: The shaving knife and wax chute covered by patents numbered 448,780, 465,972 and 499,879.
- Second: The twin nuts covered by patent No. 465,972.
- Third: The cam lift lever covered by the same patent.
- Fourth: The spring lock for the end gate, covered by the same patent.
- Fifth: The jewel recorder covered by patent No. 484,583.
- Sixth: The jewel reproducer covered by patent No. 484,584.
- Seventh: The swinging end gate carrying a bearing for the overhanging end of the mandrel shaft, covered by patent No. 499,879.
- Eighth: The use of an electric motor with a vertical shaft for operating the horizontal phonograph mandrel, covered by the same patent.
- Ninth: The use of an electric governor for the electric motor machines, covered by the last mentioned patent.
- Tenth: The scheme for tightening the belt of an electric motor machine by shifting the frame longitudinally, covered by the last mentioned patent.
- Eleventh: The use of cushions between the bed plate and the auxiliary frame of the phonograph, covered by the last mentioned patent.
- Twelfth: The employment of a removable feed nut on the feed arm, covered by the last mentioned patent.

In order that we may be entirely safe, and that no question may arise as to our willingness to comply in every respect with the decision of Judge Hazel, I recommend:-

No.--3--WEG.

- (a) That the shaving apparatus on all machines be dispensed with entirely.
- (b) That some other material than a jewel be used for manufacturing the recording and reproducing styluses.
- (c) That instead of twin nuts, a single nut be employed.
- (d) That instead of removably securing the nut to the feed arm, the nut be riveted, soldered or brazed thereto.
- (e) That the cam lift lever be substituted by the pin arrangement now used with the Gem and Standard machines.
- (f) That the end gate be dispensed with on all machines except the Gem.
- (g) That all electric motor machines be provided with horizontal electric motors.
- (h) That all electric motor machines be provided with a friction governor.
- (i) That with the electric motor machines, the top frame be secured to the bed plate against longitudinal movement and a separate belt tightener be used.
- (j) That with these machines, the cushions be dispensed with between the frame and the bed plate.

To obtain further security in the matter, I recommend that before the new machines are actually sold, they be submitted to me for approval. It is unnecessary for me to urge upon you the absolute importance of seeing that these instructions are carried out to the exact letter in every respect, because under no circumstances, should we be placed in a position that could be considered in any way in violation of Judge Hazel's decision.

Yours very truly,

Ernest W. Ripper
General Counsel.

FLD/ARK.

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

G. H. WILSON,
J.P. & C. CO. MANUFACTURING DIVISION,
RECORDING DEPARTMENT, MANAGER.

J. F. RANDOLPH,
TREASURER.

A. WESTE,
SECRETARY.



THOMAS G. EDISON

HE EMPLOYED ADDRESS THE COMPANY FOR
THE INDIVIDUAL AND RELATION THERE IN

NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

10 FIFTH AVENUE NEW YORK

RECEIVED
ADDRESS YOUR LETTER
FEB 8 1908

Phon. - Legal
LONDON.
PARIS.
BERLIN.
BRUSSELS.
STOCKHOLM.
MEXICO CITY.
BUENOS AIRES.

CABLE ADDRESS
"TYMOTIC-NEW YORK"

PW/S

Mr. W. R. Gilmore,
General Manager.

Dear Mr. Gilmore:-

Referring to Mr. F. I. Dyer's letter of February 7th, addressed to you, in relation to Judge Hazel's decision on the contempt motion in the New York Phonograph Company Case, I beg to advise that I have made the necessary arrangements throughout the factory to guard against shipment to our trade located in the State of New York of any of the apparatus or material affected by the decision. I quote herewith memoranda I have issued to the factory, one to Mr. A. Wurth, foreman of our Mould Making Department, and the other to Shipping Clerk and my assistants in the factory.

Feb. 6, 1908.
"Beginning today, no record moulds of any description must be made by the vacuum process. You will therefore arrange immediately that all moulds that you will make up from now on shall be made by the so called graphite process. Adopt all necessary safeguards against finishing up any moulds that are now in process of construction by the vacuum process. The only exception is in the case of moulds for the Argentine Records which you are now completing, and of course a correct record should be kept of the date when they are completed. We have to guard very carefully against any records made from these Argentine Moulds being shipped to any of our dealers or jobbers in the State of New York."

ANG
MAIN OFFICE

February 8, 1908.

W.E.G. -2-

2/6/08.

Feb. 7, 1908.

"No shipments of any type of phonographs must go to any of our jobbers or dealers located in the State of New York, including the city of New York, until certain changes have been made. This includes

All types of machines driven by spring motors,
All types of machines driven by electric motors,
Business Machines,
Shaving Machines, etc.,
Reproducers,
Recorders,
Sapphires,
Diaphragm arms.

"The only orders that may be filled are for certain repair parts, but these orders must not be filled unless they are approved by the office."

Yours very truly,



General Superintendent.

W. E. GILMORE,
PRESIDENT & CHIEF MANAGER.

C. H. WILSON,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.

A. WESTER,
SECRETARY.



THOMAS A. EDISON

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

10 FIFTH AVENUE, NEW YORK

Phon. - Advertising

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SVENEY,
MEXICO CITY,
BUENOS AIRES.

CABLE ADDRESS
"ZYHOTIC, NEW YORK"

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

ADDRESS YOUR REPLY TO

W. E. G.

Orange, N. J. Feb. 21, 1908

Mr. W. E. Gilmore, President,
Office.

Dear Sir:

I find that the letter to Mr. Edison that I spoke of
this morning does not cover the amounts we are spending for
various advertising. I send the letter, however, since
you may be interested. I now recall that the chief reason
for writing it was to explain to Mr. Edison just how we made
up the list of papers in various cities. He is inclined to
think that possibly some of the papers were too high class.
The approximate amounts that we are spending for advertising
outside of printed forms are as follows:

| | |
|-------------------------------------|-----------|
| Magazines | \$115,000 |
| Newspapers (7 mos) | 100,000 |
| Trade Papers & Misc Media | 5,000 |
| Foreign Department | 2,500 |
| R.R. Bulletins | 25,000 |
| Bill Posting | 10,000 |
| Street Cars | 2,500 |
| Commercial Department | 5,000 |

\$265,000

The expenditure for magazine advertising will probably
be a little less because Mr. Edison has cut out of the
schedule, Century, Harper's and Scribner's and we ourselves
cut out the extra page in certain publications. The total
would be nearer \$100,000.

The Commercial Department expenditure is purely an
estimate. At the present time we are spending about \$400 a
month for space in a few publications like "System", "Bookkeeper,"
"Office Appliances," etc. This amount will probably be in-
creased within the next six months.

Very truly yours,

R. E. McPherson
Manager Advertising Department.

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

C. H. WILSON,
ASSISTANT GENERAL MANAGER.

J. F. RANDOLPH,
TREASURER.

A. WESTE,
SECRETARY.



THOMAS A. EDISON

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

10 FIFTH AVENUE, NEW YORK

LONDON.
PARIS.
BERLIN.
BRUSSELS.
SYDNEY.
MEXICO CITY.
BUENOS AIRES.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYNOTIC, NEW YORK"

L. C. M.

Dec. 9, 1907

Comptroller V. J. Mc Chesney

*I guess we are doing all
that can be done*

Edison

Mr. Thomas A. Edison,
Laboratory.

Dear Sir:

This letter is written to acquaint you with some facts about our newspaper advertising and the advertising being done in conjunction with Babson Bros., which it was not possible to give you in our conference on Saturday morning.

After we had decided to have a newspaper campaign this fall and winter, we sent out in August, a letter to all Jobbers asking them to advise us which, in their opinion, were the best three papers in their cities for Phonograph advertising, giving the papers in the order of their merit. We then made up a list of papers in all jobbing cities, selecting those in each that seemed to be nearest to the N. Y. American, N. Y. World and N. Y. Evening Journal in character, that is, papers that went to the greatest extent among the masses. We then compared our list with the information sent in by Jobbers and made up the list as finally decided upon. We believe that in handling the matter in this way, we have, as near as possible, succeeded in getting the kind of newspaper circulation that will give us the greatest results from our expenditures. If you are at all familiar with papers in other cities, I think you will find that we have chosen the popular papers in every case. Of course, in some cities there are no papers that correspond in character to the N. Y. American, World, and Journal, but even in such cases, we have taken the papers selling at the lowest prices and going to the masses.

Our newspaper campaign is open to criticism because it only gives us two insertions a month in each paper, with the exception of Chicago. We had originally contemplated having a fair size advertisement once a week in all of these papers. The Victor people, however, came out with a 42" Record advertisement on their Record selling day. We felt it advisable because of this fact to

[ENCLOSURE]

Mr. Edison -2-

Dec. 9, 1907

run advertisements of practically the same size as theirs and appear only twice a month. We felt that we would lose materially if our small advertisement appeared at practically the same time as the Victor and was compared with their larger advertisement. We believed that we would maintain our prestige better by using a large advertisement twice a month, and changed our plans accordingly.

In Chicago, we are running a 42" advertisement on the Record selling date and a 24" advertisement once a week. As I stated before, we are doing this to better our position in Chicago. Because of the larger profits of retail, several of our Chicago Jobbers have been advertising Victor goods to a far greater extent than ours and Dealers generally could not afford to advertise in Chicago papers. Consequently, we have not had the representation there that the size of the city warranted.

I attach a list of magazines and papers being used to advertise the Edison Phonograph by Babson Bros. of Chicago. As stated on Saturday, we have made an arrangement with them to allow them an amount equal to 10% of their purchases for the months of October to March inclusive, provided they do advertising equal to three times of the allowance we make them. In other words, to earn a 10% allowance on \$60,000 purchases, they must do \$18,000 in advertising. Purchases for the first three months of the period are approximately \$210,000. We are allowing them \$21,000 for advertising and the amount they have spent in the same three months for advertising our goods only has exceeded \$70,000.

By an agreement, they are not using publications or magazines that are on our list, and we, in turn, are staying out of mail order and farm publications, so that there is practically no duplication in the two lists. In the attached list are every known mail order publication, including all of those published in Maine to which you referred on Saturday. Between our own magazine advertisements, our newspaper advertisements and the advertising being done by Babson Bros. I believe that we are reaching every home in the United States and Canada where the English language is spoken. About the only people that get away from us are those who have come to this country within the past few years and who do not yet speak English or take English publications.

In addition to the above advertising, as you probably already know, we have about 400 railroad bulletins in use in various parts of the country; we are engaged in putting up 8-sheet posters in various parts of the country; we are advertising in the elevated and subway cars of

[ENCLOSURE]

Mr. Edison -3-

Dec. 9, 1907

New York City, we are making a trial campaign of street cars in ten other cities; we are conducting an active campaign at all times for new Dealers, using music trade and talking machine publications, circularizing etc. We are also supplying the trade with large quantities of catalogues, supplements, circulars, cards and various other forms of printed matter

Very truly yours,

L. G. McCreary
Manager Advertising Department

[ENCLOSURE]

RABSON BROS. LIST

| | |
|-------------------------|---------------------------------|
| American Business Man | Green's Fruit Grower |
| American Family Journal | Grit |
| American Family World | Haus Bauernfreund |
| American Farmer | Hausfrau |
| American Home | Health |
| American Stories | Hearst American Home Magazine |
| American Swainherd | Hoard's Dairyman |
| American Woman | Home Friend |
| Appleton's Magazine | Home Instructor |
| Atlanta Constitution | Home Life |
| Atlanta Journal | Home Magazine |
| Badger | Home Monthly |
| Baptist Argus | Homemaker |
| Bee Hive | Hone Queen |
| Blue Book | Home & State |
| Breeders Gazette | Homestead Trio |
| Broadway Magazine | Household |
| Cheerful Moments | Household Guest |
| Christian Evangelist | Housewife |
| Christian Herald | Human Life |
| Christian Republic | Illustrated Companion |
| Circle | Indiana Farmer |
| Comfort | Inland Farmer |
| Commoner | Iowa State Register |
| Currier Monthlies:- | Kinder og Kjemmet |
| Woman's World | Ladies Family Magazine |
| Homefolk | Ladies Favorite Magazine |
| Dakota Farmer | Ladies Magazine |
| Delineator | Ladies Review |
| Designer | Lane's List:- |
| Dutton American Farmer | Sunshine |
| Dignams Magazine | Family Herald |
| Earth | Golden Moments |
| Ellis List | Literary Companion |
| Everyday Life | National Farmer |
| Family Doctor | Live Stock Report |
| Farmer's Voice | Lupton's List:- |
| Farmer's Wife | People's Home Journal |
| Farm Life | Good Literature |
| Farm Magazine | Magnet |
| Farm Journal | Mail Order Monthly |
| Farm News | McClure's Newspaper Syndicate |
| Farm Press | Metropolitan & Rural Home |
| Farm Progress | Michigan Farmer |
| Farm Star | Missouri Valley Farmer |
| Farm Stock & Home | Missouri & Kansas Farmer |
| Farm & Fireside | Modern Stories |
| Farm & Home | Modern Woodman |
| Forester | Mothers' Magazine |
| Gates List of Railroad | National Co-operative Farm Jnl. |
| Men's Publication | National Farmer & Stock Grower |
| Gentleman | National Fruit Grower |
| Germania Milwaukee | National Grange |
| Gleaner | National Rip Saw |
| Goodalls Farmer | National Stockman & Farmer |
| Good Stories | Nebraska Farmer |

[ENCLOSURE]

-2-

New Era Monthly
New Ideas
New York Magazine
Normal Instructor
Northwestern Age
Ohio Farmer
Oklahoma Farmer Journal
Paragon Monthly
Paris Modes
Parks Floral Magazine
People's National Monthly
People's Popular Monthly
Pictorial Review
Popular
Postmaster's Advocate
Railroad Men's Magazine
Royal Neighbor
Rural Free Delivery News
Rural New Yorker
Rural Weekly
Smith's Magazine
Southern Agriculturist
Southern Planter
Southern Ruralist
Southwestern Farmer
Sovereign Visitor
Spare Moments
Sports Afield
St. Paul Farmer
Strand
Strawberry
Successful Farming
Technical World
Uncle Remus' Magazine
Union Postal Clerks
Up to Date Farming
Vickery & Hill List:-
 Fireside Visitor
 Hearth & Home
 Happy Hours
Vick's Magazine
Wallace's Farmer
Weekly Magazine
Welcome Guest
Wellspring
Westerner
Western Fruit Grower
Western Newspaper Union
Wide World
Wiltshire's Magazine
Wisconsin Agriculturist
Woman's Gazette
Woman's Realm
World Events
World Wide Missions.

[ENCLOSURE]

W. C. GILMORE,
PRESIDENT & GENERAL MANAGER.

C. H. WILSON,
ASSISTANT GENERAL MANAGER.

A. WESTER,
RECORDS MANAGER.

A. WESTER,
RECORDS MANAGER.



THOMAS A. EDISON

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

10 FIFTH AVENUE, NEW YORK.

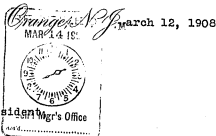
LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY,
BUENOS AIRES.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

ADDRESS YOUR REPLY TO

L. C. M.



Mr. W. E. Gilmore, President
Office.

Dear Sir:

Some year or more ago, a paragraph in the Phonogram on the subject of omitting announcements from our Records brought to us quite a number of letters from Phonograph owners. Fully as many of these writers protested against omitting announcements as there were in favor of doing so. I believe that were it possible to take a vote among users of our machines, fully as many would vote for continuing them as for their removal. I think that a letter written to the entire trade, with a blank calling for an expression of opinion, would result in much the same way. After the announcement has been played once or twice, it becomes more or less objectionable. What would be the effect, however, if there were no announcements? The lettering on the ends of the Records does not give the name of the singer and lacks other information that most people would want and which, under our present system, they could not get unless they had at hand one of our supplements or other printed list of Records. Should we drop the announcements we would be compelled to furnish this information in some such way as is done by the disc people, that is by a special label giving in full the number, title, name of singer, etc.

Personally, the announcements are objectionable, but I would prefer to have them if the title and name of singer could not be had in some equally convenient way. If you care to go so deeply into the matter, I would suggest that you ask the Jobbers for an expression of opinion, and also a given number of Dealers, say from 250 to 500, taken at random from various parts of the country. This would not be decisive, but it would give you some better indication about the feeling of the public at large than could be obtained from our own people.

[ENCLOSURE]

March 12, 1908

Mr. W. E. Gilmore, President.

Would it not be well to discuss it as you suggest with Department heads and determine what is the best way to get more light on the subject? At present, we are getting practically no letters on the subject, either for or against it.

Very truly yours,

R. S. McKeown
Manager Advertising Department.

W. P.,

New York, N. Y., March 19, 1908.

Mr. W. E. Gilmore,
N. Y. Office,

Dear Sir:

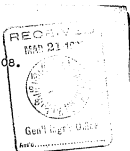
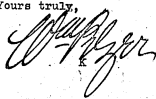
Referring to the attached correspondence in reference to the question of omitting or retaining our announcement on records, I beg to state that I have never heard of anyone, other than our own people, argue in favor of retaining the announcement; on the contrary, I have always heard it criticized, as by Dr. Held in his letter of February 28th.

I have always argued in favor of retaining the announcement for two reasons: 1st. For legal reasons, in order to give us a stronger position in case of unlawful duplication; 2d. For advertising purposes. I understand that when a record is played and it pleases anyone hearing it, very frequently inquiry is made as to the make of record, title of the selection, etc. Of course, if the announcement is left off, there might be an incentive for users to keep themselves supplied with Record Catalogues in order to better keep track of their records, and if by this omission we create a demand for catalogues, we might increase the demand for records by drawing attention to other records on our list.

I am well satisfied in my own mind that a large majority of record buyers are governed by the announcement; that is to say, they know a genuine Edison record by its announcement, and in no other way. I do not believe that buyers pay much attention to the trade mark signature on the end of a record, and that it is common thing to hear the cylinder records generally referred to as Edison records, and disc records as Victor records. This, I consider, is due largely to general advertising. The public, I believe look at the talking machine business as comprising two types of machines; a cylinder machine and a disc machine, and do not draw a distinction between the different makes of cylinder machines or the different makes of disc machines until they have become thoroughly familiar with the different makes. An old user of a cylinder machine would, of course, recognize the difference in cylinder records; but, since our object is to interest persons who do not own machines, we should do everything possible to point out the difference in cylinder records; and since such persons very often become interested after hearing machines play at the homes of friends, the usual announcement I consider important for this reason alone.

Yours truly,

Corres. attached.



[ENCLOSURE]

807 MILWAUKEE AVE.
HOURLY: 10:00 A. M. TO 5:00 P. M.
After 5 P. M. by appointment
TEL. POLAR 1897

OFFICE
739 MILWAUKEE AVE.
HOURS: 10:00 A. M. TO 5:00 P. M.
TEL. MONROE 1877

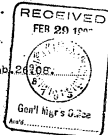
W. H. Field, M. D.
William Field, M. D.

PHYSICIAN AND SURGEON
DENTAL AND SURGICAL DISEASES A SPECIALTY.

CHICAGO, Feb. 24 1908.

National Phonograph Co.

Orange N. J.



Gentlemen:-

I have a phonograph and have given one to a friend of mine. It has been my observation, that almost everyone who comes to the house and hears any of the records, objects to the monotonous prefixed phrase "played by the edison etc". Everywheres one notices attempts of the people who use phonographs to avoid placing the recorder on this unnecessary line. Let me suggest that you would confer a favor upon a very large number of people by omitting this phrase. Every new record contains the imprint anyhow, therefore further assurance that a record is an Edis: becomes unnecessary. Hoping this suggestion will bring results I remain

Respectfully,

MINUTES OF COMMITTEE MEETING

Held April 30, 1908, at 7.30 P. M.

Present: Messrs. Wilson, Dolbeer, W. H. Miller, McChesney
Westee, Wm. Pelzer, Buehler, Weber.

NAME OF NEW 200-THREAD RECORD.

The first question brought up was the name of the new 200-
thread record, and the following names were submitted:

Ebonite, Ebonol, Palmol, Amber, Amberite, Cerol, Resinol,
etc. etc.

All the names suggested were discussed, but the general
opinion was that they would not convey any definite meaning as to
the length of the record. Mr. Dolbeer then proposed the name
"FOURMINIT" (or "4-MINIT"), with the suggestion that the name
"TWO-MINIT" could be applied to the old record, or if longer
records should be brought out in the future a similar name could
be applied to same. Mr. Dolbeer's motion was seconded by Messrs.
Pelzer and Aiken, and on a vote, the result was as follows:

Mr. Weber, Aye,
Mr. Miller, Aye,
Mr. Dolbeer, Aye,
Mr. Pelzer, Aye,
Mr. Aiken, Aye,
Mr. McChesney, No,
Mr. Buehler, No,
Mr. Westee, No,
Mr. Wilson, No.

Mr. Westee thought some better names might be used. Mr.
Wilson would like to see the two words combined, such as
"Amberite Fourminit" record, "Amberol Fourminit" record, etc.

Mr. Wilson then suggested that it might be called the
"EDISON AMBEROLE FOURMINIT" record. Mr. Westee seconded this and
the vote stood as follows:

Mr. Weber, No. Too much name, and it should not be so
encumbered; Edison stands for quality and that is enough.
Miller, No. Title too long
Dolbeer, No. Too long and does not convey anything.
Pelzer, No. Title too long and does not convey anything to
the public.
McChesney, No. Too long for advertising purposes.
Aiken, No. Too long for sake of appearance.
Buehler, No. Same reason--too long.
Westee, Yes. I think it conveys to the public that it is
a composition that is entirely different from anything now on the
market.

Wilson, Yes. Because the word "Amberole" means a first-
class article, and connected with "Fourminit" indicates that it
is not only a longer record, but also that the material of which
it is composed is of the best.

It was universally agreed that whatever name shall be
applied to the new long record shall be applied to the two-minute
record.

The next question was how many the first list of the new 200-thread records should consist of.

Mr. Miller said that 50 records was the number first suggested with the idea that the records that would best show the difference in length should be issued in the first list. Mr. Aiken said that the people who bought the new machines would in that case have only a small number to select from and thought even 100 would not be a large number to select from.

After discussion Mr. Dolbeer moved that 100 selections be made for the first list, with 10 per month thereafter. Mr. Aiken seconded this motion, and the votes were all in favor of 100 ~~records~~ with 10 each month. Mr. Miller thought it would be impossible to get out more than 75 selections, however.

After general discussion it was decided that we should work toward the end of having the new record and machines ready for the market by September 1st.

PRICE.

✓ Mr. Pelzer moved that prices be made as follows: List 50 cents; dealer 25 cents and jobber 20 cents. Mr. Dolbeer seconded this motion. Mr. McSheehy moved that the price to the dealer should be 27 cents, instead of 25 cents and 20 cents to the jobber, which was not seconded. Vote on original motion by Mr. Dolbeer stood as follows:

Mr. Weber, Yes,
Miller, Yes,
Dolbeer, Yes,
Pelzer, Yes,
Aiken, Yes,
McSheehy, Yes,
Buchler, Yes,
Westee, Yes,
Wilson, Yes.

It also seemed to be the opinion that the present record should remain at the present price and discounts.

MACHINES.

Mr. Weber said that we ought to make a combination machine for the new record and accumulate a stock so as to have them go out when the new record goes out, and every machine from that on should be a combination machine, and that we must also accumulate a large number of attachments for use in connection with the new record so that they can be shipped out at the time the new record is put out. The general opinion was that the present machines with the present type straight horns, with the changed reproducer and gearing for the new 200-thread record should be produced, keeping the same list prices.

SUGGESTIONS.

How about machines that are in stock? Shall we furnish attachments free. Shall we include Gem type for the 200-thread record or let it remain as it now is for only the present record? The general opinion seemed to be that the Gem should remain as it is and the Standard, Home and Triumph machines changed.

PRICE OF ATTACHMENT.

Mr. Westee said he would have Mr. Redfearn get out figures

(3)

on the attachment and reproducer and this would have to lay over.

CROOKED HORNS.

Mr. Dolbeer thinks there would be little additional sale for Standard and Home machines with crooked horns. Mr. Weber thought machines with crooked horns should sell for \$5.00 more list. He suggested that we try the crooked horns on the Idelia and Triumph machines. Mr. Dolbeer thought it might increase the sale of the Idelia machines, but was doubtful about the Triumph. It was the consensus of opinion that both the Idelia and Triumph should be tried out with the new crooked horn at the same prices as they now sell for, or if it is necessary to change the price of the Triumph, then try it on the Idelia only at the present price.

LABEL FOR NEW RECORD.

The design of this label should be decided on as soon as possible so that as fast as records are manufactured they can be placed in the new boxes and stocked.

4/30/08.

I.W.W.

Record - Manuf.

Legal Department.

Telephone 207 Orange.
Cable Address Collogal Orange.

Thomas A. Edison
National Phonograph Co.
Edison Business Phonograph Co.
Edison Manufacturing Co.
Pathe Manufacturing Co.
Edison Storage Battery Co.
Edison Portland Cement Co.

Frank L. Dyer, General Counsel.

Orange, N.J. May 16, 1908.

C.H. Wilson, Esq.,
Building.

Dear Mr. Wilson:-

Referring to your notice of the 15th inst. for a Committee Meeting to be held Monday evening, I am just leaving for Washington, but will try to get back in time to be present at the meeting. Most of the questions which are to be passed upon relate to commercial and manufacturing matters concerning which any opinion which I might have would probably be of no value, but there are some questions in which I am much interested.

For instance, the first question, as to the name for the four-minute record, any name which may be selected should be of such a character that it cannot be used or imitated by our competitors. In other words, it should be a bona fide trademark, capable of registration in the Patent Office. A trademark which is merely descriptive of an article, or descriptive of its quality, or which is a mere geographical name, cannot be exclusively appropriated. Such words as "Four Minute", or "Indurated", or "Extra Long", or "Orange", should, therefore be avoided. A trademark may be

Mo.--2 CHW.

suggestive of an article when not absolutely descriptive and be properly registrable, such for example as "Formin". It is best, however, to select a purely arbitrary word, which has no possible connection with the article, as for example, "Amber" or "Amberol", both of which have been proposed. A common practice at the present time is to adopt trademarks which are based on the name of the company, as for example, "Naphoco". The principal thing to avoid is the selecting of a name which is merely descriptive of an article, and hence can be applied by any one making a corresponding article in connection with which the name is equally descriptive.

The second, third, fourth and fifth questions relate to matters on which I have no opinion.

Regarding the sixth question, if a descriptive name is selected for the new records, it should, if possible, be engraved directly on the record, so that there can be no question as to the identity between the name and the article. This requirement, however, is not absolutely vital, but is only desirable.

In regard to the seventh question, my personal view is that the new name should be adopted only for the new record, so as to make that article entirely distinctive.

The eighth question relates to the designing of the carton label, concerning which I have no suggestions to make.

Questions 9 to 16 relate to commercial and manufacturing points, on which I have no opinion to express.

No.-3 CHW.

Regarding the last question, it seems to me that our experience with the blue label records shows the character of selections that the public demands. By those records we had the opportunity of getting "higher class trade", but we were not very successful. I imagine that most of our machines are owned by people of poor or moderate circumstances and to most of them, classical music does not appeal. People who like, or pretend to like, classical music, are generally of the class who buy the highest price machines, and until we get out enough high price machines in their possession to warrant a demand for a classical record, I do not believe there would be anything in that part of the business.

Yours very truly,

Frank C. Brown
General Counsel.

FLD/ARK.

Mr. Edison
W. Dyer
Edison
Edison

MINUTES OF COMMITTEE MEETING

HELD MAY 18, 1908.

Edison
Edison

Present: Messrs. Edison- Aylsworth- Pelsler- McChesney-
Buehler- Stevens- Weber- Aiken- Miller- Gilmore- Redfearn- Westee-
Ireton- Dyer- Wilson.

The first question considered was "What shall the new record be called?" At the last meeting the majority favored the name "Fourminut", but Mr. Dyer said that was a name that could be used by anybody, for the reason that it is descriptive, and that some arbitrary name should be adopted that was not entirely descriptive. Mr. Wilson thought a distinctive name should be given the record, as the public were used to "Edison Record", and a name such as "Amberol" would indicate that it was an improvement over the old record and of new composition. Mr. Edison wanted a name such as "Amberol" so that it could be used as a trade name. A vote was taken, which resulted as follows:

| | |
|-------------|--------------------------|
| Mr. Edison, | Amber |
| Aylsworth, | " |
| Pelsler, | Edison Record |
| McChesney, | " |
| Buehler, | " |
| Stevens, | " |
| Weber, | Fourminut <i>Amberol</i> |
| Aiken, | Amberol |
| Miller, | " |
| Gilmore, | " |
| Redfearn, | " |
| Westee, | " |
| Ireton, | " |
| Wilson, | " |
| Dyer, | " |

The next question was the number of records to be issued first and the number each month thereafter. The decision was that 100 selections should be put out first, if possible, 75 at least, and 10 each month thereafter.

List price was considered next, and it was the unanimous opinion that it should be 50 cents, and it was so decided. The net price to jobbers and dealers was not decided, being left to the executives.

"How many records of each selection shall be made up and in stock Sept. 1st, to take care of first orders?" Mr. Wilson said that taking the 13,000 dealers and figuring only 1 1/2 records to each would make 20,000 of each selection, and he thought this number should be in stock on Sept. 1st. This would make a total of 2,000,000 records for 100 selections, or 2,500,000 for a list of 75 selections. It was decided that 20,000 records of each selection should be made up.

"Should anything be engraved on the end of the record to designate it as a four-minute record?" On about the first 20 selections the letter "D" has been introduced. Look into this and see whether "4 M" can be substituted or added. On all subsequent selections "4 M" is to be introduced. The flat top will also help to designate it.

"Should the name of the present two-minute record and labels for same be changed to contain the new name adopted for the four-minute record?" It was decided not to change this, as it would kill the sale of the records already out.

(2)

"Carton Label for four-minute record." The style and color of sample Label submitted by Mr. McChesney was adopted.

"Determine definitely the kind of attachment that is to be adopted on new machines of each type." The samples submitted by Mr. Weber were approved and adopted.

"Determine on the different kind of attachments to be supplied for machines already out and which will from time to time be changed over." Samples submitted by Mr. Weber were approved.

"Determine definitely if new machines are to go out equipped for both two and four-minute records, and, if so, should list prices be changed?" It was decided that they are to go out equipped for both the two and four-minute records (combination reproducer) and list prices to remain the same as at present.

"Determine definitely list prices and discounts on extra attachments to be supplied for machines already out, both on a straight selling basis and exchange basis." To be decided by executives.

"How many of each attachment should be made up and in stock by Sept. 1st, to take care of orders received at that time?"

| | | |
|--------|---------------------------------------|------------|
| 50,000 | Combination attachments for Model "B" | Standard |
| 25,000 | " | " Home |
| 2,000 | " | " Triumph |
| 5,600 | " | Model "C" |
| 3,600 | " | " Standard |
| 600 | " | " Home |
| 100 | " | Model "A" |
| | | " Triumph. |

"How many combination machines should be made up of each type to take care of orders received at that time?"

| | | |
|--------|-----------|----------------------------------|
| 50,000 | Model "C" | Combination Standard Phonographs |
| 25,000 | " | " Home |
| 5,000 | " | " Triumph |

"Determine type of reproducer that is to be adopted for combination machine." Combination type submitted by Mr. Weber.

"Determine kind of reproducing point to be adopted for combination reproducer." As submitted by Mr. Weber.

"Should we go into high-class music for new records?" Mr. Edison suggested that we ought to have short stories by Mark Twain, Kipling, etc.; songs by noted singers such as Caruso; music by Damrosch and Boston Symphony Orchestra; Violin by Kubelik, etc., on account of the advertising feature. The general opinion seemed to be that these records should contain a higher class of music as a rule.

The question of using the entire space of the record surface was brought up, instead of leaving considerable space where the selection is short. Mr. Gilmore thought that by all means they should be filled out in some way, so that when people buy the long record they would get a long record, and this was the general opinion. In the meantime, this question is to be thought over, that is, as to what shall be done to fill out the records or whether only the song shall be put on them.

"Shall the words 'Edison Record' be omitted?" It was suggested that where two or more makes were played if the name should be omitted there would be nothing to indicate whether the superior records were ours or others. Consider omission of announcement.

I. W. W.

Record - Manual
May 15, 1908

Opinion of Mr. W. H. Miller on the questions asked in the
Committee notice, dated 5/15/08.

1st: (To determine definitely a name for the 4 minute record.) I have thought over very carefully the various names suggested for this record, including "Amberite" and "Amberole," etc., and it is my frank opinion that none sounds better than "Edison 4 minute Record." The word "4 minute" appeals to me strongly, due to its meaning something and describes something, and is a name the public will call the record irrespective of what other name we might give it.

It has been stated that the word "Amberite" or "Amberole" would mean amber like, denoting the fine quality of the material of which it is made. If such is the case we will shortly have to call the 2 minute record by the same name to be consistent, as this record, I understand, will shortly be made of the same material, as soon as we are able to get enough machines in operation. To call it the "Edison Amberite 4 minute Record" is, in my opinion, entirely too long. I have always maintained that the word "Edison" denotes quality of the highest order, and it would be superfluous to add another name which is much inferior. In conclusion would say that I am strongly in favor of calling the new record the "Edison four minute Record," to be spelled in such a way as to be a coined word and copyrighted, and the 100 thread record be called the "Edison two minute Record."

2nd: (As to number of selections to be ready before the public announcement on September 1st.) In reference to this would say that I believe in listing as large a number as we can possibly make in that time. By keeping our force constantly working the number we could possibly make by that date would be about 75, and still keep up with our regular supplement work. Such being the case I hardly think it possible to present to the public and have moulds and stock made of many more than 50 or 60 selections. I think this is enough to start with and believe in putting same on the market at the earliest possible moment. I think 50 titles will be sufficient.

3rd: (As to how many of this type record to be ~~xxxx~~ put out a month.) I think 10 selections will be sufficient until the public gradually changes over their machines. We can see how this goes for a month or so, and then gradually decrease the number of selections per month of the other records, *increase the number of 4 minute records*

4th: (What the list and net price of the record should be.) I think 50 cents, list, with a liberal discount to dealers and jobbers.

5th: I do not think I am competent to answer the question regarding the amount of stock.

6th: (Should name be engraved on the record to designate it as a 4 minute record?) No. We need all the room on the rim for the titles of the pieces. The fact that the 4 minute record differs ~~2ms~~ from the 2 minute, having a square end instead of a beveled one is a better identification mark than anything we could engrave on the label. I would, however, be in favor of putting the ~~xxxx~~ name of the talent on the record, instead of the word pong which has been our practice.

7th: (If a name is adopted for the present two minute I would not advocate going to the expense of discarding any labels which we may already have printed, but as soon as they run out change the label.

8-9-10: These questions were decided at the last meeting and Mr. Weber and Mr. McChesney has this information.

11th: (Should the new machines be equipped with attachments for two and 4 minute records.) By all means machines after September 1st should be equipped to play both the 2 and 4 minute records, and, if possible, keep the price the same as at present.

12th: (Referring to list prices and discounts on attachments to be supplied to machines already out.)

I think it would be wise to sell these at cost in order to introduce everyone to make the necessary changes to play 4 minute records, so that the market will be increased for same.

13 th and 14th: I do not feel ~~qualified~~ competent to make any recommendations on these questions.

15th: Will form an opinion as to the kind of reproducer to use as soon as I see the various types.

16th: (Regarding the reproducer ball for the combination speaker)

I think the reproducer ball should be 8 x 15, and as Mr. Aylsworth continues to improve the material gradually make the ball more round until we can use a round ball, that is providing the composition will stand it.

17th: I am heartily in favor of trying anything that will allow us compete for the better class of trade, and I think, besides trying to secure talent with reputation, we should try to put on the market some fine cabinet work which is different from our regular type of machine.

W. H. Miller.

5/18/08.

Mr. C. H. Wilson: *Wason*

W. E. Gilmore

Referring to the attached correspondence from Blackton and McCheaney, of course I have never thought it wise to let jobbers know what we contemplate doing in the future. The great trouble is that just as soon as you begin to talk to them about it, it becomes noised about long before we want it to get out, and the consequence is then that the sale of the present product is reduced to a minimum. I refer, of course, now to the 200-thread record and the new type machines. I know it would get out that we have something else in mind, and to get their opinion on all these subjects is a question that I have never considered the proper thing to do. You had better take these papers up to Mr. Edison and discuss it with him and see what his opinion is, and then we can get together and decide what we want to do.

6/2/08.

W. E. Gilmore.

Enc-C

27

*Mr Edison
Comments please
of them
I believe that at present we
should not officially say anything
but about 1 month before
we are sure that we shall
introduce the article. I
believe it a good idea to
call in 1/2 doz of our representatives
jobbers or get their ideas
because to be responsible for
us to think or see things
as they do
*J. G.**

[ENCLOSURE]



Phon - Sales

DISTRIBUTORS OF
EDISON AND VICTOR
PHONOGRAPHS TALKING MACHINES
WHOLESALE AND RETAIL

New York City. May 23, 1908.

Mr. Wm. E. Gilmore, Pres.,
National Phonograph Co.,
Orange, N. J.

My dear Mr. Gilmore:-

I enclose a copy of an article which I wrote for the "Talking Machine World", the subject being "Effects of Trade Depression", and would like to have you read it carefully.

You will note that while my activity as representing not only myself, but other jobbers in the business, has sometimes caused me to be considered as a "kicker", you will also find many cases where I have not hesitated to give my views where I thought conditions were commendable.

My object in writing this article was with the idea of impressing upon dealers and the trade in general the fact that a certain feature of the talking machine business was of great value to them at the present time, and I think my article on the above subject will do some good among the trade in general. With this idea I am sending a copy to every one of my dealers.

I think the talking machine business, as a product of luxury, has shown its strength beyond all expectation of most anybody, who would consider the subject seriously under recent and present conditions.

I also think the success of jobbers and dealers in general in the future will depend very largely upon maintaining the policy of restricted prices, which was inaugurated by your company and that every one in the trade should give the two manufacturers, the Victor and the Edison Co., their support for continuing a policy that has proven its value.

With this idea in view I have not considered the handling of anything but Edison goods in the cylinder line and Victor goods in the disk line, and I will not support a competing product if these two companies will encourage continuance of my present and past policy, by making it profitable for me to do so.

My acquaintance among jobbers in this line has given me ample opportunity to give my views on this subject and I never hesitate to say that I think the jobbers will be serving their own interests best, by sticking to the two leading companies, as long as they will show a disposition to work with their jobbers and dealers.

5/25/08

[ENCLOSURE]



DISTRIBUTORS OF
EDISON AND VICTOR
PHONOGRAPHS TALKING MACHINES
WHOLESALE AND RETAIL

M. E. G.

--2--

Any changes that are made between now and the fall should be given very careful consideration, for many jobbers have lost much confidence in the business and a change by the manufacturer that would bring about new burdens would not help the business in general.

As a jobber who handles talking machines exclusively, it is natural that I should be greatly interested in every move the manufacturer makes and I think other jobbers in general will show their appreciation of your protection to their interests by a loyalty to your goods, and this should be of great value to you.

Trusting my views, as expressed in the enclosed article, have your approval, I remain,

Yours very truly,

Hubert Blackman

THE TALKING MACHINE WORLD.

EFFECTS OF TRADE DEPRESSION

Upon the Talking Machine Industry—Some interesting views by J. Newcomb Blankman Which Are Well Worthy of Close Perusal—The Value of Restrictive Policies in Maintaining Trade Stability—Stocks Which Are Not Depreciated in Value—The Foundation of the Talking Machine Trade in Solid.

It is generally conceded that all business has been effected by the general depression, which started with the financial panic last October, and has been felt throughout the country since that time. The country before this period was considered at the height of prosperity, from what appeared on the surface. During the present depression the "light" has been "turned on" and 'it will be well for manufacturers, jobbers and dealers of talking machines and supplies to carefully note what it reveals.

You will have no trouble in finding people in our line who condemn the talking machine business at the present time, but their opinion is probably based entirely on the fact that sales are not as large as they were a year ago. Most things are judged by comparison and the present condition of the talking machine industry is no exception to this rule. Let us, therefore, compare the effect of the business depression on the talking machine industry as compared with other lines of not only luxury, but business in general.

In what line of business is there the least statement that sales are larger than they were a year ago? It is not likely that you can name one case. In this respect we will say that the comparison is about the same, although you will find that as compared to other articles of luxury the talking machine business has not shown as large a decrease in sales and has certainly more than held its own. Don't overlook the fact, however, that the word "sales" does not always mean profit. How many sales at the present time would "light" be termed "sales" or even what is the same profit?

It is, in fact, true that most articles sold throughout the country in general business are sold very largely by the law of supply and demand, and that prices fluctuate accordingly? Will you not therefore find that the value of restricted manufacturers, jobbers and dealer is not only selling less goods, but selling them at lower prices than the unrestricted? It would be necessary when they were purchased it would be very easy for you to figure the damage this does not only through the dwindling of profit, but by the depreciation of the value of stock on hand. We will compare this condition with what we find in the talking machine industry based of course on goods sold under price restrictions.

We find that sales are less, but we do not find that values have depreciated. The dealer still gets full price for machines and records, and so that although he must suffer a little temporarily by the loss in sales he makes the same percentage of profit and stock on hand has not depreciated in value to account of the business depression. This condition illustrates the value of restricted prices and every jobber and dealer at the present time, to be fair, should first compare the talking machine business with other lines in general before attempting to criticize the former. If he does this, and will make a fair comparison, I think he will agree that the talking machine business has more than held its own in sales and stands in a class by itself in regard to values being maintained. It is a privilege to be in the talking machine business during a business depression, if you handle things that are sold under restricted prices. It is a present but should be recognized as a valuable guide to the

future policy of manufacturers, jobbers and dealers.

You will note by my remarks that I am a strong advocate of the policy of the leading talking machine companies in insisting upon a maintenance of prices for the time the goods leave the factory until they are paid for by the retail purchasers at the full list price. This naturally requires a firm stand on the part of the manufacturer in order to enforce conditions that will insure the jobber and dealer maintaining prices and preventing unfair competition. Suppose most of us jobbers and dealer were not surrounded by this cloak of protection at the present time and during the last few months.

Have you considered what might have resulted and what good cause you would have had for complaint, not only on sales, but with the methods employed in this business? Certain dealers who have been unable to meet their accounts as promptly as jobbers would expect would have been forced to dispose of their stock at prices that would ruin the trade in that vicinity. A dishonest dealer could have auctioned his stock off and disappeared thus, not only hurting values in that territory, but causing the jobber a certain loss. This kind of dealer is now held in check, for it is generally known by successors that they will not the same liberally in selling talking machines under the hammer that they did in other lines.

This may have kept many a dealer in the straight jacket in the jobbers' pocketbook in a better condition than had the situation been otherwise. The dealer who would like to dispose of his stock at a certain price, but who has been attacked with what might be termed "cold feet," I claim, is benefited because he is unable to quit so easily at cut prices, and at the same time injure others in the trade, for he will probably "stick to the ship" and "weather the storm." There are cases where dealers will not be able to do this, but these are handled in such a diplomatic way by the manufacturer that fallout, so they have retained in adjusting the maintenance of prices. With jobbers the situation is practically the same. Many who handle talking machines as a side line and are not sufficiently interested financially would not hesitate to turn their stock into money in ways that would be injurious to the business in general. The manufacturers themselves are forced to maintain the policy which they have inaugurated, although I have no doubt that they would have plenty of opportunity to keep busy now if they were to accept ruthless propositions from cut price manufacturers to advertise, at cut prices, goods known throughout the world as standard in price.

This depression of business must be only temporary for the foundation of prosperity is still here. I believe it will have a wholesome effect on the country and the worthy individual, whether or not an employer or employee. If he makes use of the lesson that it has taught he will realize that it may have used in competitive methods which are not safe, risks that must not be taken again, and that in time prosperity his methods must not be such that they cause stagnation of the industry of adversity. The employee will realize that when it comes to the question of the supply being more than the demand it is the employee who has worked for something more will be considered a part of the organization who has contributed to the building and will therefore remain a part of the structure.

I do not want to get away from the subject, but I do want to impress the reader that I honestly believe that the foundation of the talking machine business rests on restricted prices

which have been, and I am convinced, will continue to be, accepted by the public, because there is, in my belief, nothing else that will do the job, therefore no industry to insist upon their paying a fair price in order that the industry may advance and further improvements be shown, for without a fair profit to the manufacturer, jobber and dealer the field will soon cease to be profitable and the industry would go backward. During the past few months, and possibly through the summer, the manufacturer will make use of the present slackening of business and prepare to stimulate the business with improvements or conditions that will not only make the talking machine industry as desirable as ever, but probably more so. The jobber who maintains a suitable stock of goods will hold optimism to keep them alive. The dealer, who maintains a suitable stock and puts in all his spare time in getting in touch with everyone in his territory will be known and remembered in the fall when, I believe, everything will again have assumed a good momentum.

At that time those who have not stood the test were probably in a class that never helped improve the industry and a weeding out process allowed those remaining an opportunity to quickly regain whatever advantage may have been lost during the depression. This article is based upon my own experience and records, and in coming from a jobber who handles nothing but talking machines and has seen the industry grow since the early part of 1909, I believe representative in every respect and I trust will at least remove some of the wrong ideas that a few in the industry have had regarding the talking machine business and cause them to refer to it with the respect that it demands.

INUNCTIONS VAGATED.

Moving Picture Men Must Obey the Law on Sunday.

The injunctions against the New York police obtained by several managers of theaters and moving picture shows for the purpose of preventing police interference with their performances, were swept away last week by decisions handed down by the Appellate Division of the Supreme Court.

In deciding on the injunction obtained by A. L. Sheppard, a manager of the Manhattan Theater, the court, in an opinion written by Justice Graham, referring to a rumor that Police Captain Kelleher had threatened to stop moving pictures in the theater on Sunday, declared that such a crime had been committed. In other words the theater was segregated from the rest of the New York City territory during the hours of operation of each Sunday and the police were powerless to enforce the criminal law during that period and were denied the usual police opportunity. It was made clear in the decision that the court of equity, which had issued the injunctions, had no authority to be empowered to shield criminals from arrest.

EVERY EMPLOYE AN ADVERTISEMENT.

Every employee is an advertisement of one sort or another. If he cannot be a good advertisement he has no right to be a bad one.

[ENCLOSURE]

W. E. GILMORE,
PRESIDENT & GENERAL MANAGER.

C. H. WILSON,
SECRETARY & GENERAL MANAGER.

A. WESTEY,
SECRETARY & TREASURER.



THOMAS G. GILMORE,
PRESIDENT
IN REPLYING ADDRESS THE COMPANY NOT THE
INDIVIDUAL AND MENTION THESE INITIALS.

L. C. M.

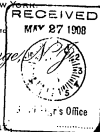
NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

10 FIFTH AVENUE, NEW YORK

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY,
BUENOS AIRES.

CABLE ADDRESS
"LYMOTIC, NEW YORK"

ADDRESS YOUR REPLY TO



May 27, 1908

Mr. W. E. Gilmore, President,
Office.

Dear Sir:

The views of Mr. Blackman, both in his article in the Talking Machine World and his letter of May 23rd, are those of a man deeply interested in the welfare of the talking machine industry, particularly as represented by the Victor people and ourselves, and he deserves commendation for his views and for the efforts that he is making to impress them upon the trade.

His suggestion that any changes made between now and Fall should be given careful consideration, brings up the point whether we should not take the Jobbers more into our confidence than has been done in the past.

Mr. Blackman spent two or three hours in my office one day last week and during his talk it occurred to me that we might avoid some serious pitfalls, in making the contemplated changes in September, if we invited a few jobbers whom we know to be loyal to our interests, tell them what we purpose doing, point out some of the obstacles that we ourselves can see and ask them for their views. I have in mind such men as Mr. Blackman, Mr. Henkle, Mr. W.D. Andrews, Mr. Tardos, Mr. Ellenberger, Mr. Buehn, Mr. McGreal and Mr. Ninnett. Doubtless there are others who could be named if it was found necessary to increase the list. These men are thoroughly representative men in the Jobbers' Association and their views could be accepted as representing the Jobbers as a whole. They might be invited to a conference at the factory or to be here on a given day and we could well afford to pay their travelling expenses. I feel that the changes we are about to make are such that if successful, it will largely change the character of the business and we can

[ENCLOSURE]

Mr. W. E. Gilmore, President -2-

May 27, 1908

hardly take too much counsel before putting the new conditions into effect. Every one here is giving the matter deep consideration and apparently every feature concerning the changes is being carefully discussed, and yet, in spite of all, we might fail to do the one thing that would make for success. This one thing might be instantly pointed out by those who would see the business from a different standpoint. It seems to me that the jobbers are entitled to every consideration before changes so important as those contemplated are put in force.

This suggestion has little bearing upon Mr. Blackman's letter; still, I trust you will not consider it impertinent.

Very truly yours;

L. C. McKinney
Manager Advertising Department.

TAE, Inc. - Org.

Messrs. F. K. Dolbeer, W. M. Brodie- P. A. Burnham, Jr.- Wm. 6/10/08
Pelzer- A. T. Moore- Walter Stevens- A. Westee- Peter Weber-
L. C. McCheaney- C. H. Wilson- M. C. Durand- H. P. Miller- W. H.
Miller- J. W. Aylsworth- W. J. Bushler:

During Mr. Gilmore's absence, the executive management of the Edison Manufacturing Co., National Phonograph Co., Bates Manufacturing Co. and Edison Business Phonograph Co. will be vested in an Executive Committee composed of Frank L. Dyer, Chairman, Peter Weber, C. H. Wilson, A. Westee, F. K. Dolbeer and L. C. McCheaney.

This Committee will meet every Wednesday afternoon at 2 o'clock, and oftener if necessary to consider questions presented for its decision. All questions arising in any department involving a change in business policy may be presented to the Chairman, who will, if necessary, bring them before the Executive Committee. All heads of departments having questions arising within their particular sphere and on which they wish advice or desire to be relieved of responsibility, can discuss the same with Mr. Dyer, who will, if necessary, bring the same before the Committee.

All questions relating to shop work or shop employees, are to be discussed with Mr. Weber.

Questions relating to business management, sales and office employees are to be discussed with Mr. Wilson.

Questions relating to finances and accounts are to be discussed with Mr. Westee.

Questions relating to credits are to be discussed with Mr. Dolbeer.

Questions relating to advertising and printing are to be discussed with Mr. McCheaney.

Except as noted, no substantial change in the business management is contemplated. The earnest and hearty co-operation of all employees is expected.

FRANK L. DYER,

6/10/08.

Chairman.

Phon. - Many.
June 12, 1908.

Mr. Dyer:

The figures given on the attached sheets do not represent the exact cost of my department. They are simply the totals of bills approved by the department. The figures, for instance, do not include any salaries or other general expense of the business. The following explanations of the different headings are for your information:

E.F.M. means the Edison Phonograph Monthly. Part of the increased cost of the year 1907-8 over the previous year was due to our having added a cover printed in two colors.

Catalogues, etc. mean Phonograph and Record Catalogues, Folders, cards and other similar matter printed for distribution to the public and not included under the heading of "Forms Issued Monthly." Up to March, 1907, the monthly forms were included in this classification for the purpose of comparison with the previous year. The figures opposite the line "Forms Issued Monthly" should be added to the total of "Catalogues, etc."

General Trade Printing means forms like Numerical Catalogues, Order Blanks, Record Bulletins and similar forms used by the trade only and not distributed to the public. This shows a less amount for last year than the year 1906-7 because one or two of the forms have been included in the classification "Forms Issued Monthly."

Stock Electros mean electros carried in stock and furnished without charge to Dealers for use in local papers.

Publication Advertising means expenditures for magazine, newspaper, trade paper and other similar publications. The total is much larger than the previous year because of our increased advertising in magazines and newspapers.

Department Mailing means expense for mailing matter to the trade, two or more times each month, and includes postage, which is probably three-fourths of the total amount.

Follow-up means the expense in connection with following up inquiries received from advertising and includes postage. When inquiries are received from advertising, we send catalogues and a letter to the inquirer and then ask one or two Dealers nearest to the inquirer's home to call upon or write the inquirer. A month later letters are sent to both inquirer and Dealer to determine, if possible, what sale was made. Inquiries from advertisements are a sort of by-product and this plan is followed by advertisers generally for the purpose of getting the most out of them. It is an improvement over the old plan of merely sending catalogues and doing no other work upon the inquiry.

Agreement System means the amount spent for printing Jobbers and dealers' agreements and forwarding them to Jobbers, together with other incidental expense.

Sales department means such forms as are printed solely for the use of the Sales Department, as for instance, miscellaneous stationery for salesmen.

June 12, 1906.

Dealers' Printing means work done for dealers for which they pay us practically the entire cost.

Chicago means work done for the Chicago Office before it was discontinued. This was principally letter heads and envelopes.

Foreign Department means advertising and printing expenses incurred on behalf of the Foreign Department. This has grown considerably in the past two years, because we are now furnishing all printed matter, except letter heads, envelopes and interior forms to the Foreign department without charge. This is one of those cases where we are charging to General Expense, items that, in my opinion, should be charged to the department itself. They are legitimate expenses of the department and we simply fool ourselves on the profits of the department when we do not charge the expenses.

Miscellaneous Foreign Office is work done for the branches in Europe. This has been charged to the various branches, although I am not sure that the charges are not afterwards rebated by the Accounting Department.

London means charges of the same character as those against the Foreign Offices.

Factory Forms are those used in the various departments of the factory.

Phonogram gives the total yearly cost of getting out the Phonogram. Fully 3/4 of this amount is paid by the trade itself.

Office Expense means forms like letter heads, envelopes etc. used throughout the office building. These have been kept separate from factory forms.

Commercial Department are expenses for printing and advertising incurred on behalf of the Commercial department. Under the existing arrangement, these will be very much less for the present year.

Billposting means the amount expended for putting up 8-sheet posters in various parts of the country. This shows a large increase in 1907-8 over the previous year because considerable work was done in the latter part of 1906-7 and not billed until the beginning of the next year.

Painted Bill Boards mean charges for maintaining nearly 400 B.R. bulletins in various parts of the country. The charges for the two years are uneven for the same reason as given in the preceding paragraph.

Forms Issued Monthly include Record Bulletins, Record Supplements, etc. which, up to March 3, 1907 were included in the classification of catalogues, etc.

Legal Department means charges for stationery incurred on behalf of the Legal Department.

June 12, 1908.

Street Car Advertising explains itself.

Miscellaneous means such charges as could not be included in the previous classifications.

I shall be glad to give you any furnish information concerning the expenditures of this department if you desire them.

L. C. McCheesney

[ENCLOSURE]

MEMORANDUMS IN ANSWERING DEPARTMENTS FOR NATIONAL PHOTOS APR 00

March 1, 1904 to March 1, 1908

| | March 1/04 to March 1/05 | March 1/05 to March 1/06 | March 1/06 to March 1/07 | March 1/07 to March 1/08 |
|-------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| E.P. Div. | 976.25 | 1266.27 | 2104.56 | 4153.76 |
| Exec. Off. | 22234.29 | 36226.63 | 60289.15 | 63432.20 |
| Gen. Inv. Div. | 1622.56 | 1288.86 | 1,156.54 | 1337.13 |
| Stock Exchange | 376.82 | 1000.39 | 2528.13 | 3228.62 |
| Pub. Adv. | 43669.61 | 79851.66 | 112235.16 | 238137.69 |
| Dept. Printing | 2053.19 | 3964.61 | 4704.19 | 6616.97 |
| Follow-up | 422.01 | 1274.26 | 133.76 | 966.33 |
| Agreement. Photos | 374.33 | 341.36 | 314.63 | 1213.19 |
| Sales exp. | 1028.00 | 1158.00 | 2282.00 | 3812.50 |
| Dealers' Pts. | 644.83 | 113.64 | 486.78 | 387.90 |
| Chicago | 64.25 | 124.58 | 69.10 | |
| Reg. Dept. | 413.69 | 3489.14 | 6820.02 | 11946.68 |
| Miss. For. Office | | | | 227.48 |
| London | 1204.40 | 4952.13 | 2126.45 | 4766.51 |
| Factory Photos | 7123.40 | 12,000.61 | 24913.66 | 28507.61 |
| Photography | 2125.20 | 3040.87 | 13629.16 | 18026.75 |
| Office Expense | 493.42 | 502.17 | 1669.42 | 4267.10 |
| Gen. Dept. | | 2410.69 | 15076.22 | 13113.12 |
| Bill Printing | | | 7238.62 | 22634.66 |
| Printed Bill Gen. | | | 10389.10 | 22634.66 |
| Comms. Insured. Monthly | | | | 4,257.00 |
| Legal Dept. | | | | 87.56 |
| Street Car Adv. | | | | 4294.77 |
| Misc. | 1,845.5 | 1362.73 | 1069.64 | 1455.10 |
| Total | 573,942 | 1,795,137 | 2,874,351 | 4,744,975.11 |

[ENCLOSURE]

FORMS ISSUED REGULARLY

2000 M 4 page supplements of American selections--Cost \$1.00 per M or \$2000 total.

24 1/2 M Record Bulletins of American Selections cost \$140.00

35 M Dealer's Order Blanks of American selections, Cost \$44, of which about \$19 is paid by Jobbers for imprints.

610 M Phonograms, the total cost of which is about \$1500. Of this amount the Jobbers pay all but about \$150. (The Phonogram now costs us about \$2.65 per M and we get only \$2.50 from Jobbers.)

16 M Copies Edison Phonograph Monthly at an approximate cost of \$375.00

10 M Placards announcing new monthly Records. Cost \$135.00 per month.

1200 M Domestic record Catalogues every four months or about 3500 M per year. The present cost of this form (1220) is \$7.00 per M. On this basis the year's supply will cost \$24,500 or about \$2,041.66 per month.

2000 M (Approximately) Phonograph Catalogues per year. The present edition of the form (1135) cost \$7.00 per M. On this basis the year's supply would cost \$14,000 or about \$1166.66 per month.

1000 M (Approximately) Foreign Record Catalogues per year. The present edition (1250) cost \$

52 M Supplements in Spanish of Mexican Records, issued monthly for Foreign Department at an approximate cost of \$135.

8 M Supplements in Spanish of American Instrumental selections issued monthly for Mexico City, at a cost of about \$18.

550 M Grand Opera Supplements every four months at an approximate cost of \$750.

35 M Numerical Record Catalogues every six months. Present edition (Form 1240) cost \$865. On same basis our year's supply would cost \$1730.00.

[ENCLOSURE]

MAILING

We cover the entire list of Dealers twice each month, at the least. In one mailing we include Record Bulletins, Supplements and Phonograms, and in the other the Edison Phonograph Monthly. Each lot usually costs 1 ¢ to mail, but nearly every month we have additional extra forms which brings up the cost of one or the other to 2 ¢ for each piece. It is safe to figure that both mailings cost us on an average of 3 ¢ for each of about 13,500 names--Total \$405.00

The cost of envelopes is not included in the above. We use a long Manila envelope worth \$1.34 per 100
Total \$34.84.

Grand total for mailing \$439.84 per month.

(Many months we have occasion to cover the mail list with some extra form. Several cases of this kind are not figured in the above.)

Mr. Edison:

June 19, 1908

Phon. Manuf.

Regarding the attached memorandum, the matter of the exchange proposition was discussed by the Executive Committee on the 17th inst. There seems to be a very strong sentiment against repeating our last experience with this proposition, because, undoubtedly, many jobbers took advantage of us. For instance, Mr. Wilson says that Davega last November, evidently anticipating a business depression, unloaded his entire stock on us, including records that had never been unpacked, and even at this time he is still receiving credit for these goods. It seems to me inevitable that if we cut out the exchange proposition and simply allow rebate there will be a strong temptation to order more conservatively, reducing stocks of records on hand, and in that way doing us harm, both because of the cutting down of orders and because of inadequate representation of our goods. The following plan was suggested as a possible compromise between a straight return proposition and the rebate scheme:

A rebate sufficient to cover defective and broken records, say 2%, to be allowed on all purchases, either annually, quarterly or monthly. To permit jobbers to get rid of cut-out records and dead stock, the exchange proposition will be limited to records which have been issued, say six months previously or earlier. This would require jobbers and dealers to always keep a stock of current records and would prevent them from unloading on us absolutely, as was the case with Davega. It would probably be well to take up the proposition quarterly and perhaps monthly, so as to minimize the disturbance; this will probably make it necessary to establish a separate department that will have direct control of this matter. What do you think?

F. L. D.

FLD/IWW
Enc-
6/19/08.

M

Phon. - I. C. S.

Mr. Edison:

Regarding your memorandum re the Scranton people, of course nothing would have been done with the cylinder attachment for the disc machines without your approval. At the same time, I appreciate the danger of putting out such an attachment, even if its use were strictly limited to language records, because there would be an inevitable tendency on the part of customers to use them with other records. This would no doubt create more or less ill feeling with the Victor people, and it seems to be highly important that we should continue to have their good will. I wish, however, that the good-will would extend far enough to have some understanding that would prevent jobbers from "knocking" our goods; but I suppose this is humanly impossible.

The general sentiment of the Committee was that the Scranton people should be turned down, and I will take up the matter at the meeting tomorrow and see that this is done. We have tied ourselves to them when we had other chances of making language records, and it is only fair that they should tie themselves to us.

6/23/08.

F.L.D.

June 27, 1908.

Mr. Louis F. Geissler, General Manager,
Victor Talking Machine Co.,
Camden, N. J.

My dear Sir:

I have read with interest your letter of the 20th inst. to Mr. Dolbeer, and I hasten to reciprocate your expressions of good-will. The relations our companies have always been most cordial and I can conceive of nothing more unfortunate and unnecessary than an advertising or commercial war between them. And in this connection I wish to express my appreciation of the fine spirit of your circular of June 8th, which I read with much pleasure.

Having reference to the advertising point you refer to, I do not know exactly what advertising statements you have in mind, but I am informed that the only statement which we have made referring to the needle-changing feature of your machines is found on page 25 of our catalogue, as follows:

"This reproducer point absolutely prevents the harsh, disagreeable, scratching sounds often noticed in instruments having metallic needle points. Such needle points also require frequent changing and are injurious to the records, whereas the recording point of the Edison reproducer never needs to be changed."

Assuming that this is the statement to which you refer, I do not see how you can object to it, it being entirely legitimate.

6/27/08.

L. F. Geissler.

Form 231

NATIONAL PHONOGRAPH COMPANY

It is certainly permissible for any manufacturer, without violating business ethics, to point the advantageous features of his goods, so long as in doing so a competitor's goods are not mentioned by name. Your company had done exactly this thing in the past, with no objection from us. For instance, the following statements have been issued by the Victor Co.:

"The improved disc talking machine represents the most advanced method of reproducing sound.

The flat disc makes it possible to record sounds that would be completely lost by any other method. The tone or timbre that distinguishes one voice from another and the very breathing of the great operatic artists are reproduced on disc records with a realism that is little less than miraculous."

"Many of the great artists themselves who now make records formerly entertained a prejudice against talking machines. The perfected talking machine gave them an altogether different idea, and they now consider it a distinction to be immortalized on the talking machine disc."

"They have formed the habit of associating talking machines with the raucous strident sounds of the old-time noise-making devices, and they won't take the trouble to go and hear a first-class talking machine for themselves.

But eventually in one way or another they do hear a perfect talking instrument. They sit down in front of the Victor and listen to Caruso and Melba in some great operatic role, and in an instant every prestige of prejudice is swept away."

During the past week I am informed that the "Central Distributing House" of Chicago, which I understand is a Victor distributor, has put out advertisements with the following statements:

"Every Victor Disc Record is made by the best talent that can be obtained. They are considered the loudest, clearest and most durable records made and are far superior to the cylinder records, which are used on other machines, as they will retain the original volume of sound and last many times longer. On account of the remarkable success of the Victor records many cheaper imitations, which are really worthless, have been offered the public. Don't buy these imitations at any price, as they soon become scratchy and worthless."

I must say that I do not see how any distinction can be made between statements which you have issued and our statements which you object to. The machines of both companies have characteristic talking points, which the advertising people of both concerns are

2. 6/27/08.

NATIONAL PHONOGRAPH COMPANY

L. F. Geissler.

putting forward as ingenuously as they can. If I had any criticisms to make, it would be that the statements of your company are hardly fair, and I think you will agree that the statements put out by the Central Distributing House should not be continued.

No doubt you will attend the Jobbers' Convention at Atlantic City and I hope to have the pleasure of seeing you there, at which time we can take up this matter and go over it together.

Yours very truly,

FLD/IW

Chairman Executive Committee.

June 30, 1908.

John E. Helm, Esq.,

Helm & Knight,

Prudential Building, Newark, N. J.

Dear Sir:

In reference to retaining the services of Mr. Knight and yourself and of the firm of Helm & Knight, concerning which I had a talk with you recently, at the time of our conversation I was not fully advised as to the facts. On the assumption that you were working at the rate of \$15.00 per day and Mr. Knight at the rate of \$40.00 per day, I took it for granted that your charges could not be very large, as you had often told me that you had a very considerable outside business which occupied much of your time. Upon looking more carefully into the matter, I find that the bills of Mr. Knight and yourself from October, 1907, to May, 1908, amount to almost \$15,000.00. This was a very great surprise to me, because it would appear that you and Mr. Knight were being paid much more than any other attorney or firm of attorneys employed by the company, while at the same time most of the work on which you were employed was relatively unimportant; so much so, in fact, that except in a most incidental way I had no knowledge of the work on which you were engaged. Mr. Edison was equally surprised to know of this situation. It is needless

2.

/30/08.

John E. Helm.

NATIONAL PHONOGRAPH COMPANY

for me to say that I cannot consent to having the work done by you on any such basis as in the past, and I would propose the following arrangement, the successful carrying out of which will depend very largely upon yourselves: we, meaning the combined Edison interests, will pay you and Mr. Knight, individually and as a firm, an aggregate retainer of \$3500.00, payable semi-annually or quarterly, as you prefer, in advance, the arrangement to continue for one year and to be renewed from year to year if mutually agreeable. Against this retainer you and Mr. Knight are to make charges of \$30.00 per day each. Monthly bills are to be rendered showing the expenditure of time, the proposed retainer covering somewhat over 100 days service. All work is to be done at my direction and I am to be kept fully informed of its progress and development. Any expenses incurred, represented by proper vouchers, will of course be paid for in addition to the retainer and can be included in the monthly statements.

Kindly let me know if such an arrangement as I have above outlined will be satisfactory, and if so, I will take the proper steps to carry it into effect.

Yours very truly,

FLD/IWW

Chairman Executive Committee.

[ATTACHMENT]

Dyfi-

Helm's bills are outrageous
& I will not stand it any more.

~~Hereafter~~ Hereafter pay
them a yearly retainer & pay
only for their such work
as you think they could do
best. No work is to be
given them except through
you-

Edison

Mr. C. H. Wilson:

In reference to our alleged unfair advertising,
I attach a letter from Mr. Geissler, which please return with
any comments.

7/2/08.
FLD/IWW
Enc-

F.L.D.

Victor Talking-Machine Company

DIRECTORS
EDMUND S. JOHNSON
WILLIAM
LEON F. SPOFFORD
LEONARD F. DODDERS
LOUIS F. GEISLER
EARL HENNER
CHARLES H. HADDON
W. H. HARRIS
ALBERT C. MIDDLETON
SECRETARY
ALBERT WATKINSON
PAUL DEWEERTY
THOMAS S. PARVIN



CABLE ADDRESS:
SONORON.
GRAND PRIZE
HIGHEST AWARD
ST. LOUIS EXPOSITION
BUFFALO EXPOSITION
PORTLAND EXPOSITION
MORACE PETZIT
SAINT GERMER

CAMDEN, N. J. U.S.A. June 30, 1908.

Mr. Frank L. Dyer,

Chairman, Executive Committee,

National Phonograph Co.

Orange, N. J.

RECEIVED
JUL 1 1908
FRANK L. DYER

My dear Sir:

Your favor of June 27th just received. The quotation which you make from your catalog was not what made an impression upon us, but rather your general publicity work - see "Youth's Companion;" "Collier's"; "Associated Sunday Magazines" of May 28th and 30th - in which you say -

"It is an improvement that the Edison Phonograph Co. uses a reproducing point of such hardness that it lasts for years and does away with the annoyance of continually having to change needles."

The same ad. appears in Magazines of June, 1908.

I take it that there is a difference between what may probably be said in private literature or the catalog, and that that should be said in public print.

Furthermore, it seems to me that the three quotations which you present from our literature are not very strong arguments for your case.

1st - We emphasize only the advancement made in the art of recording sound and reflect rather on the earlier efforts of the manufacturer - even our own.


-2-

2nd - The word "Cylinder" is not mentioned or any direct comparison made.

We do not know the Central Distributing House of Chicago personally. They are not Distributors, and I doubt if either of us can control the advertising of Dealers, unless positively libelous, although we shall always be willing to co-operate as far as we can in any such objectionable cases.

I expect to attend the Jobbers' Banquet, at least, and should be very pleased to meet you there.

Sincerely yours,


Louis W. Chandler
General Manager.

LEG/PH

RECEIVED
JUL 2 1908
FRANK L. DYER.

Mr. Dyer:

I still hold to my original opinion regarding our method of advertising being considered by Mr. Geissler as unfair competition, and do not see how it would be possible for us to exploit or talk up the merits of our machines, as compared with others, without drawing comparisons. In no case have we mentioned the name of any other line of goods, and as there are several disc machines on the market in addition to the Victor, I think Mr. Geissler's complaints and criticisms are very much overdrawn.

In the July issue of "The Voice of the Victor", they say on page 8:

"The Victor is more than a perfect musical instrument--more than a song--more, even, than a voice. † † † † † But only by means of the Victor is it possible to perpetuate the actual living voice of a great singer or the art of a noted musician."

"The difference between the Victor and all other musical instruments is the difference between an original masterpiece of art and a print, etc. etc."

In both of these items they refer to musical instruments, but whoever reads them will not draw a comparison between the Victor Talking Machine and a piano, organ, violin or some other instrument of that nature, but on the contrary will immediately take it for granted that the other musical instruments referred to are other makes of talking machines, and that, according to the statements made, the Victor is the only one capable of accomplishing perfect or satisfactory results. This I consider just as much of a direct hit against our line as is our comparison of reproducing points a hit against theirs. I do not think we should draw this matter out into a long controversy, but should we meet Mr. Geissler at Atlantic City, I believe we should take it up with him along the lines above indicated, and under no consideration do I think we should retract or withdraw any advertising or comparisons now in use.

7/2/08.

C. H. W.

W. L. D. Co.

Mr. Edison:

7/15/08.

Referring to the attached report from Mr. Hug, the reason he did not put this on the regular blanks was that he had run out of them, apparently, as about the time this was sent in he asked for more blanks, which have been sent him.

F. L. D.

WLD

[ENCLOSURE]



112 126

10 den
Why does this
w/ paper use letter
head when he has
60¢ mks

Providence, R.I. 7/10 1908 WLL



Providence, R.I. 190

National Phono Co
Providence R.I.

Gentlemen

Relative to dealers in
this city beg. to advise as follows
for your information

N. M. Deane, 543 Westminster
St., has both & about 120 records on
hand, at a in miserable condition,
is doing practically nothing with
him & offered some records at 35¢ each
& \$3.50 per dozen, stated price has
been ordered.

Erby Piano & Music Co, name
does not appear in city or phone
directories, could not locate them.
J. B. Bowman, 146 N. Main

It, has quit handling the line
& his name should be removed
from list
F. W. Brown, 174 Washington

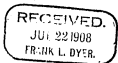
It, said would care for some
money on an Edison outfit because
he wants to quit the business,
says the line, information with his
piano business, said he did not
care whether I was an importer
or not, he was going to get his
money out of the stock, would not
quote prices because I had previously
said was not ready to buy & did
not know whether wanted Edison
or Victor, handles Edison only, has both
1 hour & 750 records on hand
Yours Truly W. K. King.

(7/22/08)
Phon. - Advertising

Eyer's

You will notice by the reports that certain towns are close towns - I suggest that when we get word of being secured out that we pick out the towns that are close towns & do a lot of persistent local advertising in these towns & in every way turn the tide.

E



Phon. Labels
JULY 24-1908.

F. L. D...C. ~~E. W...~~L. ~~D.~~ MC C.....

Herewith attached is the proposed addenda to our Jobbers and Dealers Contract, giving the prices of the new style of machines and attachments, for the United States and Canada.

I would respectfully request that you go over this carefully, making such comments as you may see fit.

As I understand it, this should be gotten out at a very early date, accompanied by an explanatory letter regarding our position as to the sale of other types of cylinder phonographs and cylinder records.

*Will take
up contract of necessary
July 24/08
F.L.D.*

RECEIVED
JUL 25 1908
FRANK L. DOLBY

F. K. DOLBY

Dolby

[ENCLOSURE]

Addenda
to
Jobbers' Contract

List Prices
of

Combination Type D Edison Phonographs.

| | |
|-----------------------------|---------|
| STANDARD Combination Type D | \$30.00 |
| HOME " " " | 40.00 |
| TRIUMPH " " " | 60.00 |

| | |
|------------|----------|
| THE IDELIA | \$125.00 |
| BALSORAL | 70.00 |
| CONQUEROR | 85.00 |
| ALVA | 85.00 |

On and after Oct. 1, 1906, the four types mentioned above, will be of the combination Type D model equipped to play both Standard and Amberol records, list prices to remain as before.

All of the above machines subject to regular Jobbers' and Dealers' discounts.

Prices Combination Type D Attachments Complete.

| | Jobbers' | Dealers' | List. |
|-----------|----------|----------|--------|
| STANDARD | \$3.00 | \$3.75 | \$5.00 |
| HOME | 5.50 | 6.25 | 7.50 |
| TRIUMPH | 5.50 | 6.25 | 7.50 |
| IDELIA | 5.50 | 6.25 | 7.50 |
| BALSORAL | 5.50 | 6.25 | 7.50 |
| CONQUEROR | 5.50 | 6.25 | 7.50 |
| ALVA | 5.50 | 6.25 | 7.50 |

*** **

Prices Edison Amberol Records

| Jobbers' | Dealers' | List. |
|----------|----------|--------|
| \$.18 | \$.28 | \$.50 |

Clause #22.

On and after Oct. 1, 1906, we will refuse to supply Edison Phonographs, Records, Repair and Supply Parts to all Jobbers and Dealers who continue to sell any other make of Cylinder Phonographs, Cylinder Records or Cylinder Repair or Supply Parts.

Signed

Business

Street and No.

City

State

Dated 1906.

Witness

[ENCLOSURE]

Addenda
to
Dealers' Contract

List Prices
of

Combination Type D Edison Phonographs.

| | | |
|----------|--------------------|---------|
| STANDARD | Combination Type D | \$30.00 |
| HOPE | " " " | 40.00 |
| TRIUMPH | " " " | 60.00 |

| | |
|------------|----------|
| THE IDELLA | \$125.00 |
| BALMORAL | 70.00 |
| CONQUEROR | 85.00 |
| ALVA | 85.00 |

On and after Oct. 1, 1908, the four types mentioned above will be of the combination Type D model equipped to play both Standard and Amberol Records, list prices to remain as before.

All of the above machines subject to the regular Dealers' discounts.

Prices Combination Type D Attachments Complete.

| | Dealers' | List. |
|-----------|----------|--------|
| STANDARD | \$3.75 | \$5.00 |
| HOPE | 5.25 | 7.50 |
| TRIUMPH | 6.25 | 7.50 |
| IDELLA | 6.25 | 7.50 |
| BALMORAL | 6.25 | 7.50 |
| CONQUEROR | 6.25 | 7.50 |
| ALVA | 6.25 | 7.50 |

Prices Edison Amberol Records.

| | Dealers' | List. |
|--|----------|--------|
| | \$.28 | \$.50 |

Clause #22.

On and after Oct. 1, 1908, we will refuse to supply Edison Phonographs, Records, Repair and Supply parts to all Dealers who continue to sell any other make of Cylinder Phonographs, Cylinder Records or Cylinder Repair or Supply Parts.

Signed

Business

Street and No.

City State

Dated 1908

Witness

Copies to Messrs. Dyer, Wilson, Dolbeer, McChesney & Phillips.

Orange, N. J., August 5, 1906.

minutes kept

MINUTES OF MEETING AND CONFERENCE
WITH TRAVELING SALESMEN.

Phon. - Sales

Present: F. L. Dyer, President; F. K. Dolbeer, General Manager of Sales; L. C. McChesney, Manager of Advertising Department; E. H. Phillips, Manager of Salesmen; Messrs. Caulkins & Holden, Advertising Agents for the Company; and the entire complement of Traveling Salesmen. Mr. Edison also appeared and was introduced to each salesman.

The meeting was called to order by Mr. Dolbeer, who explained the object in bringing in the salesmen at this time, pointing out that it was necessary to acquaint them with the new goods and certain policies of the Company in exploiting same. Mr. Dyer then stated that the general policy of the old management would be continued by the new officers, and in a general way advised what the future policy would be, after which he retired to meet other engagements.

Mr. Phillips had prepared a list showing towns having a population of 500 and over where we are not now represented, and told the salesmen they would be expected to make an effort to place a dealer in each town or render a detailed report showing that a dealer was not needed or could not be secured.

Mr. Dolbeer then asked for suggestions and criticisms from each individual salesman. Mr. Chandler suggested a Record "Exchange Proposition" with the consumers on a "10 to 1" basis. Mr. Hug recommended issuing permits to dealers to sell second-hand machines at reduced prices. Mr. Kreuzsch thought it unwise to

allow jobbers to send Sample Records to dealers. Mr. Scott suggested the issuance of a circular letter to jobbers, urging them to use more care in packing and handling records in order to prevent breakage in transit. Mr. Kloehr claimed dealers were asking for definite information regarding the question of discontinuing each year as many old records as were added to the list by monthly supplements, in order to keep the Domestic list down to a stated number. Mr. Kloehr also recommended using two Mexican band or instrumental records each month on regular supplements, omitting an equal number of Domestic selections. Mr. Hope asked whether it was advisable to furnish records and labels to such dealers as were willing to carry a complete list of Domestic selections, "free of charge." The questions brought up by the several salesmen were discussed and are to be placed on file for future consideration.

Mr. Dolbeer asked for an expression of opinion from the salesmen regarding the question of omitting the announcement on record. After discussion, it was decided to ask for a vote on the advisability of omitting the announcement or continuing it as heretofore, with the following result:-- To discontinue: Stanton, Hug, Ewan, Hedden, Barklow, Warren, Scott, Turner and Hope; Total, 9. To continue:--Neff, Kocher, Kreusch, Clark, Veale, Gill, Chandler, Renner, Fritchey and Kloehr; Total, 10.

Mr. McChesney asked for a better understanding and closer relations between the Advertising and Sales Departments and introduced Messrs. Caulkins and Holden, who offered many suggestions to that end. Mr. McChesney continued with remarks along this line and asked each salesman for suggestions pertaining to the Advertising Department, after which the entire company adjourned to the Orange Club for luncheon.

Record - Manuf.

AUG. 6-1908.

RECEIVED
AUG 10 1908
BY

F. L. DYER...C. E. W...MC...CHESNEY...WEBER...ALLEN...PRELBER...

It has been suggested that we eliminate the entire announcement from all our records; that is, as fast as the new moulds are made to omit any announcement whatever. This matter was fully discussed with the salesmen yesterday and in asking for a vote from the 19 salesmen present, ten of them voted to retain the announcement, and nine of them to cut it out entirely.

In addition to this, there were several suggestions to modify the announcement by eliminating the words "Edison Record", and giving the title of the record itself. I might add that this suggestion has been made to me by a number of jobbers and dealers who appear to think that the record would be more acceptable without the announcement, and would allow of more matter being placed on the record.

I would respectfully suggest that you consider this matter carefully, as it is something that should be decided at a very early date.

7/10/08
Discussed to
Committee
8/11/08

Dobson
F. L. DYER.

THIS DOCUMENT CONTAINS NEITHER RECOMMENDATIONS NOR CONCLUSIONS OF THE BUREAU OF STANDARDS
IT IS THE PROPERTY OF THE BUREAU OF STANDARDS AND IS LOANED TO YOUR OFFICE
IT AND ITS CONTENTS ARE TO BE RETURNED TO THE BUREAU OF STANDARDS AT THE END OF THE LOAN PERIOD

Orange, Aug. 7, 1908.

Phon. - Sales

Mr. Thos. A. Edison

Dear Sir:

Please find below results of the work of the salesmen sent out on special inspection.

| | <u>New York</u> | <u>Penn.</u> | <u>New England</u> |
|---|-----------------|--------------|------------------------|
| Number of towns visited | 17 | 14 | 17 |
| Number of dealers visited | 112 | 102 | 159 373 |
| Number of exclusive Edison dealers | 36 | 25 | 53 112 |
| Number of exclusive Victor dealers | 3 | 2 | 8 13 |
| Number of exclusive Zonophone dealers | 0 | 0 | 0 0 |
| Number of exclusive Columbia dealers | 0 | 1 | 1 2 |
| Number of dealers handling Indestructible Records | 18 | 13 | 24 55 |
| Number of dealers giving Edison preference | 67 | 49 | 105 221- |
| Number of dealers giving Victor preference | 10 | 21 | 26 57- |
| Number of dealers giving Columbia preference | 2 | 2 | 4 8 |
| Number of dealers giving no preference | 15 | 17 | 18 50 |

C. N. Phillips

Does notice that of 37% dealers 112 exclusive E
leaves 261 who deal in Victor & E - 60 gave no preference
leaving 201 Super dealers of which 157 gave Victor
preference or 29%. This is favorable on our new
departure should reduce this percentage

Aug. 12, 1908
Record - Manuf.

Mr. Edison:

I would like to have your opinion as to the advisability of omitting the announcement from our records. This is a question which has been frequently discussed, and the general opinion is that the announcement can very properly be left out. In the old days, before the title was engraved on the end of the record, this announcement feature was no doubt important, as the record could not be identified any other way. With the introduction of the engraved announcement there would seem to be but little necessity for continuing the verbal announcement. The only argument I can think of for retaining the verbal announcement is, that if our records are duplicated some difficulty would be encountered in obliterating the announcement so that it would not be reproduced. I was told, however, that this can be done and, in England, has been done in a number of cases. We ought not to particularly fear the duplicating of our records because a duplicate must necessarily be of poor quality and could be immediately detected. By leaving off the verbal announcement some space will be saved; this might be important in special cases. The most important advantage, however, to my mind is that by omitting the announcement the foreign records become immediately available for sale in this country merely by changing the engraved title, and in some cases even this might not be necessary. In other words, by omitting the announcement a large stock of foreign records can be effectively marketed which at the present time is practically unsalable. I am informed also that there have been complaints from customers who object to the announcement preceding the selection as detracting from the selection. Personally I am in favor of omitting the announcement. I would like to have your views.

8/12/08.

F. L. D.

NATIONAL PHONOGRAPH COMPANY

Phon. Sales

Aug. 17, 1908.

Mr. F. K. Delbeer,
Manager of Sales,
New York.

Dear Sir:

With reference to the omission of the announcement on our records, I enclose herewith a memorandum which I sent Mr. Edison and on which he has endorsed his reply. What do you think of his suggestion of submitting the question to a vote of our jobbers? It strikes me as being a very good way of securing the opinion of the trade on this important matter. If you see no objection, I wish you would arrange to present the question to the jobbers and get their views.

I do not think that Mr. Edison's point on the importance of the announcement when records are played before a number of persons is well taken. When a person is running the phonograph it would be a very simple matter to tell the people what record he intended to play, and as a matter of fact I presume practically everyone does this, so that the announcement on the record comes as a sort of anticlimax.

Yours very truly,

FLD/iww

President.

FRANK L. DYER,
PRESIDENT & GENERAL MANAGER.

C. H. WILSON,
EDITOR, MANAGER.

A. WESTER,
SECRETARY & TREASURER.



THOMAS A. EDISON

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.

EDISON PHONOGRAPHS & RECORDS.

10 FIFTH AVENUE, NEW YORK.

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

L. C. M.

YOUR REPLY TO

CABLE ADDRESS
"SYNCHRO-NEW YORK"

Aug. 18, 1908.

advised
Orange, N. J.

Mr. Edison--Mr. Dyer.

The conditions under which we are having printing done is becoming more and more difficult as other printers than the Essex Press realize that they are making estimates and no matter how low they are, they do not get any of our work. As you already know, we are pursuing the following plan for bringing down the prices paid to the Essex press:

We are asking a reasonable number of printers to figure on each job, the firm names varying with the character of the work to be printed. The Essex Press is also asked to bid. When the bids are received, we compel the Essex press to do the work at the average price between its own bid and the lowest bid. This plan works well where we can get a sufficient number of estimates, although it compels us to pay more for our work than it would if we sent orders to the lowest bidder in each case. It brings down the prices of the Essex Press and results in a large decrease from the prices paid when there was no competition. The prices thus far fixed by the foregoing method will result in a saving of probably \$20,000 over the old prices of the Essex Press.

Unfortunately, other printers (and we are at present also confined to union shops) are realizing that they are getting none of our work and are gradually refusing to bid. Out of the last requests sent out for estimates to 16 printers, only five of them responded. This shows that in a very short time we will not be able to get estimates and shall be compelled to pay the prices of the Essex Press unless some other plan is adopted.

I wish very much that some other plan could be adopted for forcing down the prices of the Essex Press, because the present one puts us in a disagreeable business light. The printers who have estimated, ask all sorts of questions as to why they have not received orders and since it does not seem politic to tell them the truth, I am compelled to resort to all sorts of subterfuges to put them off. It does not seem to me businesslike to put ourselves in a position where we cannot give all printers a square deal and be frank and open with them. Printers are quite as essential to us as we are to them and some day we shall want their goodwill and co-operation.

Mr. Edison--Mr. Dyer -2-

Aug. 18, 1908.

Existing conditions more and more bring up the advisability of doing our own printing. I believe that we should do it and I think that the whole subject of advertising and printing is big enough and permanent enough to warrant us in providing quarters that will house the Advertising Department and provide ample room for a printing and binding plant. Not a makeshift arrangement to be changed, but one that will be permanent and, therefore, more economical because of its permanency. To provide such quarters and put in the necessary equipment would mean the outlay of considerable money, but I believe that it would in the end, prove a wise and economical thing to do.

Very truly yours,

L. C. McChesney

Manager Advertising Department.

file
Victor Sounding March 4

203

REC
AUG 27 1908
FRANK L. DYER

Victor

Mr. Dyer:

Most of the unfairness displayed by Victor dealers toward Edison goods cannot be prevented. It is the natural attitude of dealers who would rather sell Victor goods than ours. I have no doubt that there is a great deal more unfairness toward Victor goods by dealers who prefer to sell ours than the other way. This must be so because there are a great many more Dealers favorable to Edison goods than there are to the Victor. I believe it would be a good plan wherever we find that a Dealer is carrying our goods merely to sell Victor goods and where they do not give us a fair chance, to have the Sales Department write them a firm but courteous letter, suggesting that such Dealers drop our line entirely, unless they can at least give us an equal chance. If possible, we ought to do something to prevent Dealers from handling our goods and giving them a poor demonstration merely to sell Victor goods. Possibly this cannot be done in any legal way, but good might be accomplished by pointing out that we are aware of the conditions and insisting that we be given better treatment. To this end it might pay to have a few men doing nothing but continuing the work that the three salesmen did last month.

I would also suggest that the salesmen be instructed to see that all dealers in running their Phonographs at the proper speed and that they also do all they can to insist upon Victor Dealers giving us an equal chance, even if they are compelled to suggest that such Dealers drop our line entirely. Certainly, Dealers of this kind are of no advantage to us and the quicker we eliminate them the better we will be off.

Running all through these special reports there is a note more or less familiar to us all, namely; that the Victor Company have been doing everything possible to put their goods into a better class of homes, while all of our efforts have been toward carrying out Mr. Edison's idea that the Phonograph is a machine for the masses. The Victor people have obtained the best talent possible, have improved their machines, have gotten out a hornless machine and where they have continued the use of a horn have done so on less objectionable features than our long horn with a supporting crane. These reports show that the Victor people are reaping the natural harvest from their sowing. We are also reaping our harvest but it is of a different kind.

Our present attitude toward better styles of horns and hornless machines is that nothing can be done. If we are disposed to think that improvement is possible, we are putting it off to some future day. Personally, I do not know what can be done toward getting out hornless

Mr. Dyer -2-

Aug. 25, 1908.

machines or changing our horn to the less objectionable style of the Victor people, but I do think that we ought to have one or more persons doing nothing else but working on this problem. I think that we ought to have a special department that would make a more thorough study of the subject and, if possible, get out something that is not only as good as the best on the market but better still. Even we cannot deny that we have not been as progressive as the Victor people and our present attitude is not much better.

Our new Record will eliminate one of the claims for Victor Records and even though we cannot get the disc volume on our Records, I believe that with a carefully planned campaign, good Grand Opera talent and better machines we can secure a large percentage of the business that is now going to the Victor Company. I have been surprised in the past six months to find how many people of my acquaintance have bought Victor machines and who regard them as of a superior type. This not only shows that their advertising is producing results, but it shows that the sale of one Victor machine in a better grade home is selling others in the same class. Unless we can do something to check this tendency, the feeling of the public that Victor goods are superior to ours will increase as time goes on. We all know just where the difference lies but the public does not.

L. C. McCheesney.

Mr. Edison:

~~to~~ 56 Advertising

9/29/08.

Some time ago you brought up the question of advertising and particularly were anxious to know if Mr. McChesney was obtaining the best prices for this work. I beg to attach two reports from him, from which I think it can be taken for granted that he is giving proper attention to this point. Of course, the Advertising accounts will be taken care of by the Auditors. The young man who is at present going over our entire system for the purpose of making possible changes has been instructed to look particularly into the Advertising Department in order that every possible check may be had on expenses.

Please return the attached reports when you have read them.

FLD/IWW
Enc-

F. L. D.

Dyer

This seems all right

Yag

File Advt Dept. note

[ENCLOSURE]

RECEIVED
SEP 23 1908
FRANK L. DYER

Sept. 22, 1908.

Mr. Dyer:

I am glad that you brought up the question as to whether or not our various forms of advertising were being secured at the lowest cost, for it gives me an opportunity to give you some facts about present day advertising that I think you will find interesting.

Our principal forms of advertising are: Magazines and weekly periodicals like Saturday Evening Post, Collier's, etc.; daily newspapers, trade publications, railroad bulletins and billboard posters. We also do a small amount of street car advertising and we spend approximately \$5,000 a year for electrotypes. Under these headings are grouped practically all our expenditures except those made for printing. You are quite familiar with the uncertainty regarding the cost of printing and I will not touch upon it here.

The magazines and weekly publications that we are using are unquestionably the leading ones in the country. Without exception, their rates are fixed and inflexible. Most of them sell space on what is known as a flat rate, which means that the rate is the same to all advertisers whether they use large or small space. I do not know of a single publication on the list being used by us that could be induced to vary its rate under any conditions. I am sure that the rates given us are as low as those obtained by any advertiser in the United States. If you have any friends among other advertising agencies, I would be glad to have you test this statement, both to satisfy yourself and to enable me to confirm quotations of our own agency. Then, too, we have an understanding with Calkins & Holden that at any time we can show that we can buy space in any way lower than the rate quoted by them, they will rebate us for the difference. In effect, we are buying space cheaper than many large advertisers, for we are only paying Calkins & Holden 10% commission on the net cost of our business. In other words, if a page of space in a publication cost \$800 and the agency is allowed 10%, we pay 10% on \$450 or \$495.

Many national advertisers are paying their agencies a commission of 15% on business. On the other hand, of course, there are advertisers who pay agencies less than 10%, but it is a recognized fact, among men who know, that no agency can do a profitable business on less than 10% and give its clients proper service. For this reason, I have never advocated the plan of seeking the services of agencies who are really price-cutters. All agencies bind themselves not to cut rates, and those

[ENCLOSURE]

Mr. Dyer -2-

Sept. 22, 1908.

who take business on a lower basis than our arrangement with Calkins & Holden can only do so at the sacrifice of their pledged word and it has never seemed to me wise to deal with men of this kind. I have always felt that men who did not keep their word with publishers could not be relied upon to be honest in their dealings with us.

The exceptions to our plan of paying for advertising on a basis of 10% off and 10% on are certain publications like McClure's, Munsey's, Saturday Evening Post, etc., that do not permit agencies to divide commissions, but who insist upon the agencies charging their clients for the full schedule price of space. That is, Munsey's insist that Calkins & Holden shall make us pay \$500 net, including their commission, instead of following the plan of deducting 10% and adding 10% as commission. Our arrangement with Calkins & Holden provides that we shall pay 10% on the cost of business except in cases like Munsey's and similar publications, but there are a few publications that allow them 15% with a stipulation that they will lose the discount entirely if they share it with their clients. We could insist upon Calkins & Holden billing space in these publications at a discount of 15% and an addition of 10% for commission, but to do so would make them lose their standing with publications and lose the discount entirely. I believe that the arrangement we have with them, is businesslike in every respect and one to which no exception can be taken.

The rates in daily newspapers are more uncertain than they are in magazines. Every daily paper of any standing maintains its rates absolutely and no one advertiser can buy space better than another. The newspapers in the smaller cities, however, are not so rigid and it is sometimes difficult for an advertiser to know just when he is getting the best rates. I believe that Calkins & Holden are, with few exceptions, getting from newspapers as good rates as can be had by any agency. The following statement seems to me to confirm this:

Cluett, Peabody & Co. were formerly large users of newspaper space and their account was handled by N. W. Ayer & Son of Philadelphia, who make very strong claims as to their ability to buy newspaper space. Cluett, Peabody & Co. became dissatisfied with the services of N. W. Ayer & Son and sought the assistance of Calkins & Holden. They were, however, uncertain as to the latter's ability to buy newspaper space and before they would finally consider their claims, they had Calkins & Holden make up an estimate covering newspaper work that had been done through Ayer & Son. They furnished Calkins & Holden with a list of the papers they had been using and the amount of space in each. Calkins & Holden obtained rates from the various papers and the total of their estimate showed so little difference between that charged through Ayer & Son that Cluett, Peabody & Co. gave them their

[ENCLOSURE]

Mr. Dyer -3-

Sept. 22, 1908.

account and they are to-day placing a large amount of newspaper advertising for the latter. I do not believe there are twenty papers on the list of one hundred and forty-six being used by us that could be induced to give any advertiser a better rate than we are enjoying.

The cost of space in trade papers is always a matter of docket. It is possible that we may not be getting quite as low rate in the few that we are using as some other advertisers, but we more than make up for it in the additional publicity that we get from the papers. For this reason I have never attempted to beat down our present prices. When our contracts were made they were declared to be low and from all that we could learn about the papers they were as low as other advertisers were getting.

Billboard posting is controlled by one of the best associations connected with any form of advertising. Membership in the association includes every firm or individual of any standing throughout the entire country and the association fixes the price to be paid for posting in every city and town. These prices are absolute and I do not know of an instance where an advertiser has succeeded in having his work done at less than regular rates. The prices per sheet for posting vary from 6¢ to 16¢ for a month's posting and this includes the commission paid to recognized agencies. We place our orders through W. W. Seelye & Co. who are one of about twenty firms who are permitted to handle business for the association. Here, again, we can get a rebate wherever it can be shown that an advertiser has had his posters put up at a less cost than charged us.

The cost of railroad bulletins varies according to conditions. From inquiries that we have made among other firms who do this work, I know that the prices we are paying are extremely low. We have contracts for a small number of boards with the O. J. Gude Company of New York and the prices we are paying them are low compared to those of most of their clients. The major part of our railroad boards are controlled by the R. C. Maxwell Co., Trenton. Their prices are much lower than Gude & Co., so much so that I sometimes feel that they are too low to get the best service. I will be glad to furnish you with a schedule of our railroad bulletins and have you compare it with other similar contracts if you have any means by which this could be done.

L. C. McChesney.

[ENCLOSURE]

Mr. L. C. McChesney:

9/24/08.



The attached memorandum is very satisfactory
but before submitting it to Mr. Edison I would like to be sure
that the statement on the first page which I have interrogated
is correct.

FLD/IWW

F. L. D.

Enc-

[ENCLOSURE]

Mr. Dyer-

RECEIVED

SEP 26 1908

FRANK L. DYER

Sept.

As a further explanation of the last part of the third paragraph of the attached, I am adding below the names of the publications that we are using and the cost per page in each. The first column after each publication is the net price to the agents and on which we pay 10% commission. The prices in the second column include the commission to agents. These are the papers that do not permit agents to divide the commission with their clients. That is, they do not allow them to deduct 10% discount and add on 10% for commission. The case of the Associated Sunday Magazine is similar to one quoted in my letter. The price of a quarter page is \$500 and the agent is allowed 10%. He bills it to us at \$450 and we pay 10% commission on the latter amount.

| | | | |
|------------------------|-----------------|--------|---------|
| Collier's Weekly | 1/2 page | 720.00 | |
| Saturday Evening Post | 1/2 page | | 900.00 |
| Asso. Sunday Magazines | 1/4 page | 450.00 | |
| Youth's Companion | 1/4 page | 504.00 | |
| American | 1 page | | 252.00 |
| Cosmopolitan | 1 page | 362.88 | |
| Everybody's | 1 page | | 500.00 |
| McClure's | 1 page | | 414.00 |
| Munsey's | 1 page | | 500.00 |
| Review of Reviews | 1 page | | 225.00 |
| Canadian | | 21.67 | |
| Ladies Home Jnl. | 1/4 page | | 1000.00 |
| Woman's Home Comp. | 1/4 page | 405.00 | |
| Ladies' World | 1/4 page | 315.00 | |
| Outlook | 1/4 page | 114.75 | |
| Argosy | 1 page | | 300.00 |
| Pearson's | 1 page | 172.12 | |
| Red Book | 1 page | 212.50 | |
| Success | 1 magazine page | | 448.00 |
| Metropolitan | 1 page | | 200.00 |
| Pacific | 1 page | 72.25 | |
| Sunset | 1 page | 70.00 | |
| World's Work | 1 page | | 120.00 |
| World To-day | 1 page | 95.62 | |
| National | 1 page | 153.00 | |
| Delineator | 200 lines | | 1000.00 |
| Ainslee's | 1 page | | 250.00 |
| Puck | 64 lines | 42.00 | |

EUGENE VINCENT DALY
COUNSELLOR AT LAW,
BISHOP BUILDING,
76 WILLIAM STREET,
TELEPHONE, 3902 JOHN.

NEW YORK, Sept. 30, 1908

Thomas A. Edison, Esq.,
Llewellyn Park, Orange, N. J.

Dear Sir:

I enclose notice of sale which may be interesting to you.

Kindly acknowledge receipt.

Very truly yours,

*Daly = Is there anything
here that would be
of advantage to us
Edison*

*W. V. Daly
Receiver*

NOTICE IS HEREBY GIVEN THAT, PUR-
SUANT to an order of the Supreme Court,
of the State of New York, in and to the
above entitled cause, the Receiver of the
Estate of Thomas A. Edison, Esq., in and
to the above entitled cause, has caused
to be sold at public sale, at the
Hotel de Ville, New York City, on the
29th day of September, 1908, the following
personal effects belonging to the
deceased, and other property, the particulars
of which are set forth in the foregoing
inventory of the personal effects of the
deceased, and which are on file in the
office of the Receiver, at the Hotel de
Ville, New York City, and which are
numbered 11, 12, 13, 14, 15, 16, 17, 18, 19,
20, 21, 22, 23, 24, 25, 26, 27, 28, 29,
30, 31, 32, 33, 34, 35, 36, 37, 38, 39,
40, 41, 42, 43, 44, 45, 46, 47, 48, 49,
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OC 1-1908

Making Bound

147 Phon. - Legal

Sept. 30, 1908.

Mr. A. Wastee,
Office Building.

Dear Sir:

A contract has been made with Louis Hicks for legal services, under which he has been paid \$10,000.00, for which I enclose receipt. The contract runs from September 25, 1908, for five years. It provides for an annual retainer of \$1,000.00 and guarantees \$5,000.00 in addition payable monthly. I have arranged with Mr. Hicks to consolidate the retainer with the monthly payments, so that he will receive \$500.00 each month. Therefore, arrange to send him a check at the end of this month for the fractional period between September 25th and 30th, then at the end of the succeeding months send him a check for \$500.00. He will render monthly statements showing the amount of work done, and if that work is less than 100 days he gets nothing in addition to the monthly payments; if, however, he spends more than 100 days in any one year he is to be paid at the rate of \$50.00 per day. We also pay his expenses, statements for which will be rendered probably monthly. I attach letter which I wrote Mr. Hicks and also his reply, and Mr. Pugh has the original contract.

Yours very truly,

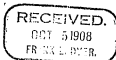
President

JOHN J. O'CONNELL,
COUNSELLOR AT LAW,
31 NASSAU STREET.

TELEPHONE 2222 | 2274 | CANTLAND.

NEW YORK. October 3d, 1908.

Mr. Frank L. Dyer,
Lakeside Avenue,
West Orange, N. J.



Dear Mr. Dyer:-

I have been so busy since my visit to Washington that it slipped my mind up to the present time that I ought to have sent you a copy of the memorial and inform you as to what was done.

I enclose a copy of the memorial herewith, and if you can find time to look at the "Music Trades" of September 26th, you will get a good idea of what happened. While that report will show that no instructions were given by the Secretary to Mr. Solberg, I take it to be a diplomatic denial, because the Secretary did tell us that he would instruct Mr. Solberg. At any rate, it has stirred up the Library end of matters considerably, and I am sure that the Register will be very careful of what he says at Berlin.

I received from Cromelin a copy of a long letter which he wrote Pettit, and of which he says he also sent you a copy.

Cromelin is extremely persevering, and the whole gist of his letter is that we ought to fight against any extension of copyright at all. That may be all very true, but he knows perfectly well that my clients are committed as far as the American Congress is concerned, to an extension conditioned upon royalty. I take it that you are, in effect, committed the same way. Therefore, I cannot afford to give Mr. Cromelin letters of marque for the Berlin Conference wherein he would be placing me in a position which might have an injurious effect upon our interests here in December.

JOHN J. O'CONNELL,
COUNSELLOR AT LAW,
31 NASSAU STREET.

TELEPHONE 2272 | CANTONMENT.
F.L.D.-2

NEW YORK, October 3rd, 1908.

I received a letter from Mr. Pettit this morning, in which he tells me that he has cabled Cromelin that the Victor Company would take no further interest in the Berlin Conference.

Under the circumstances I cannot see my way clear to giving Cromelin any authority to proceed upon the lines indicated in his letter; nor can I see my way clear to agreeing to pay the pro rata amount of expense mentioned therein.

Judging from a long article in the New York "World" of to-day, your Company will have to pay about seven million dollars on account of those old New York Phonograph Company suits. I noted with interest, from the article, that one of the stockholders or directors of that Company is Mr. Frederick G. Bourne.

The article says that they expect a decision to the above effect from the Circuit Court of Appeals almost at once.

I suppose if you are hit that hard you won't be able to find time to play that golf game with me.

Very truly yours,



[ENCLOSURE]

The Secretary of State,
Washington, D. C.

Sir:

We, the undersigned, The National Piano Manufacturers Association of America, The National Phonograph Company (Edison), The Columbia Phonograph Company, and The Victor Talking Machine Company, beg leave to petition regarding the attitude to be taken by the United States delegate to the International Copyright Conference to be held at Berlin on October 14th, 1908.

We have been informed that Mr. Thorvald Solberg, the Register of Copyrights, has been appointed Delegate from this country, and while we do not know what his instructions are, we respectfully submit that the magnitude of our business interests and the far-reaching effect which new copyright legislation would have, not only on the capital invested in our respective industries, but also on everybody engaged in those industries, in this country, justify us in laying the matter before you to the end that any action taken may be with a full understanding of the situation.

While it may be that the action taken at Berlin, even though participated in by our Government, may not be binding on the American Congress, there can be no doubt that the result arrived at in Berlin will have great weight when the matter is against taken up here.

As your Department may not be entirely conversant with the details of the Copyright situation to-day, as regards the mechanical reproduction of music, we beg leave to present a brief outline of it:

[ENCLOSURE]

In May 1902 there existed an association known as The American Music Publishers Association, comprising every large music publishing house in the United States, except two. Since then, one of those two has become a member. This association, then, controlled the output of sheet music in this country. The Aeolian Company of New York in that month made contracts with every member of that Association whereby it was to receive the exclusive right to cut perforated rolls from all copyrighted music owned or controlled by the publishers at any time during the term of the contracts, viz: thirty-five years. As the copyright term was then in effect forty-two years, the monopoly would be absolute for practically seventy-seven years. A suit was also instituted and carried to the United States Supreme Court, to obtain if possible a decision to the effect that a perforated roll for use in a player piano, is an infringement of the musical copyright under the existing United States Statutes.

It finally reached the Supreme Court for argument in January 1908. In February 1908 a decision was handed down to the effect that mechanical reproducing devices are not infringements of the present musical copyright.

White-Smith Co. vs Appollo Co., 209 U.S., 1.

During the progress of this litigation determined efforts were made to amend the copyright laws so as to specifically include such devices. It would be trespassing unwarrantably on your time and patience to give the history of this fight in detail. The fight was bitter and three separate sets of public hearings have been had before the Joint Patent Committees of the Senate and House of Representatives, viz: June 1906, December 1906 and March 1908. The arguments made at those hearings pro and con are contained in the printed records, which are respect-

[ENCLOSURE]

fully call attention to your attention, particularly the Printed Proceedings of the Hearings before the Committees on Patents of the Senate and House of Representatives, of March 26th, 27th, and 28th, 1906.

Generally speaking, the results of these hearings were:

June 1906 - No report.

December 1906 - House Committee reported against any change in existing laws as regards musical copyrights, while the Senate Committee, by a vote of four to three, voted for the change. Senators Mallory, Foster and Sweet submitted a minority report agreeing with the House Committee.

No action was taken in either House up to the adjournment on March 4th, 1907.

March 1908 - While neither Committee has reported a Bill, the consensus of opinion appears to be in favor of extension of the copyright to include mechanical reproduction, provided everybody has the right, under certain conditions, of reproduction on a universal royalty basis - the amount of royalty not yet agreed upon.

Action is expected to be taken when Congress meets in December and the Bills now pending are as follows:

Senator Sweet: Universal royalty on a percentage basis.

Senator Nittridge: Extension of copyright absolute and without condition.

Representative Currier: Universal royalty on a flat sliding scale.

Representative Sulzer: Universal royalty on a basis of 50 cents each on phonograph records and ten per cent on retail price on perforated rolls.

[ENCLOSURE]

Representative Washburn: Universal royalty on an unmeas-
ured basis, but with right to owner of copyright to with-
hold composition from mechanical reproduction.

Representative Barclay: Extension of copyright absolute
and without condition.

Senator Sweet is Chairman of the Senate Committee, and
Mr. Currier of the House Committee.

As we have stated above, the great weight of opinion
in the Congressional Committees appears to be against extending
the copyright as an absolute right. We speak with knowledge
as we have participated in every step of the proceedings.

Of course the extending of the right at all is one of
expediency. Many arguments - some of them quite potent - have
been made against any extension of the right.

Our position as manufacturers is this: The National
Piano Manufacturers Association is interested only in the per-
forated roll business. Within a few years from now every piano
must have a player mechanism. In view of the ease with which
the Aeolian Company obtained exclusive contracts in the past, it
would be no difficult matter to obtain similar exclusive contracts
in the future - although we contend that the old contracts would
be operative under new legislation. Anybody having a monopoly
of the rolls would unquestionably in time have a monopoly of the
instruments. That, the Association seeks to prevent. If Con-
gress should see fit to extend the Copyright, and give the com-
poser a revenue, then not only would the composer be paid, but a
monopoly of the player industry would be practically impossible
if everybody had the right to manufacture upon payment of the
stipulated royalty.

[ENCLOSURE]

The Phonograph Companies signatory hereto, are in exactly the same position - they want a square deal and nothing more.

Everything we have said in the foregoing is borne out by the public records either in the Supreme Court or in Congress.

In the industries created on by the undersigned there is invested directly about one hundred and fifty million dollars. This does not take into consideration at all the amount invested by dealers and jobbers throughout the country.

The condition of the Copyright Laws in the various countries today is as follows:

United States: All mechanical reproductions free.
United Kingdom: All mechanical reproductions free, by decisions and special law of August 1906.
Germany: Mechanical reproduction free, unless "expression" reproduced. This makes all phonographic records free.
Belgium: All mechanical reproduction free.
Switzerland: All mechanical reproduction free.
Austria: All mechanical reproduction free.
France: All mechanical reproduction free as regards sounds, but not as regards words.
Italy: Court of Intermediate Appeal, contrary to Berne Convention of 1886 which it signed, decided that such reproductions are forbidden. Court of last resort has not yet passed on question.

WHEREFORE we respectfully petition your Excellency that the American Delegate be instructed to work and vote, in the deliberations of the Berlin Conference, against the absolute and unconditional extension of copyright to mechanical reproducing

[ENCLOSURE]

devices, and to go no further than a protection conditioned upon a universal right of user, such universal right to be based upon a royalty or revenue fixed, not by the Conference, but by the internal legislation of the respective powers taking part.

Respectfully,

Mr. Dyke:

11/2/05.

Victor

I hand you herewith various papers in connection with the scheme which the Victor Co. adopted some time ago and which has met with success, providing for the granting of special licenses to sell second-hand and obsolete machines at a cut-price. This is a concession which seems to be generally demanded in the trade and which we have decided to grant, although I have not yet fixed the date when the plan will go into effect. I wish you would draw up the necessary papers to put the scheme into effect in connection with our business, including the actual license, the letter to be signed by jobbers and dealers applying for the license, our authorization to them accompanying the license and a short, modest letter to the trade announcing the scheme. Perhaps you can think of some way by which the license can be drawn without including the original price of the machine in ink. If this can be done, I do not see any ^{particular} ~~special~~ objection to having a special license for our principal types--Gen, Standard, Home and Triumph--and a blank license for the other types in which the name could be typewritten. My whole thought on this matter is that the license ought to be as neat as possible.

ELD/IWW

F. J. D.

Enc-

LETTER NO. 1188

Mr. Pierman: 1908

D. /
1908

Phon. - Patents

11/6/08.

Regarding the special speaker which you handed me yesterday, I return the same herewith for the reason that this does not in my opinion avoid the claims of the Smith Patent, if those claims are infringed by our present construction and assuming them to be valid. The fundamental idea of the Smith patent is that the vertical pivot, on which the stylus lever is free to move, is in line or coincides with the horizontal pivot on which the stylus lever oscillates, the construction really amounting to nothing more than a universal mounting. To avoid the Smith patent the pivot which permits the stylus lever to move sidewise should be out of line with the pivot on which the stylus lever oscillates up and down.

PLD/iww
Enc-

P. L. D.

Legal file

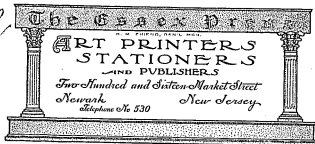
Dyer's noted

*Better put the trumpet of
Pierman says you can wind
them on 200 thread with
this = Better have Weller
give it a good test*

Edison

55

Woods



TAE, Enc. - Orig.

November 6th, 1908.

Mr. Frank L. Dyer, Pres.,
National Phonograph Co.,
Orange, N. J.

Dear Mr. Dyer:-

Mr. Gilmore was here to-day, for the purpose of calling on you, in company with the writer, in reference to the matter we talked about recently.

His suggestion is, if you think well of it, that a conference be held between yourself, Mr. Wilson, Mr. McChesney, Mr. Gilmore and myself, to discuss the situation.

Mr. Gilmore and myself will be very glad to keep any appointment that you may make, either at Orange or the New York Office, any time next week.

Hoping that this may be agreeable to you, and thanking you for your many courtesies, I remain,

Very truly yours,

Wm. McChesney
Wm. McChesney
GEN'L MGR.

THE ESSEX PRESS.

*Forwarded
3 p.m.
7/4/08*

56

Phon. - Lakes

Mr. Edison

11/13/08.

Regarding the attached circular, this is a preliminary announcement along the line of our new policy not to establish dealers in towns that appear to be thoroughly well represented at the present time. The circular goes only to jobbers, and not to dealers. In going over our records we find that in the towns mentioned in this list we are already properly represented, but of course the list will be increased right along as more and more of these towns are determined. The purpose of the list is simply to advise jobbers that in the towns referred to any dealers that they may hereafter attempt to establish will probably not be accepted. It does not mean that the list is absolutely conclusive and that no more dealers in these towns will be recognized, but that all applications from these towns will be very closely scrutinized. This list of towns is probably only a very small percentage of those in which we are now well represented, but the list will be increased as rapidly as possible. Our jobbers seem to be all well satisfied with the new plan, and so far I have not heard of a single objection from them. They realize that the appointment of dealers in the past has been overdone.

FLD/iww

F. J. D.

Enc-

- Note by Mr. Edison
Nov 16/08

[ENCLOSURE]

FRANK L DYER,
VICE PRESIDENT & GENERAL MANAGER.

C. H. WILSON,
GENERAL MANAGER.

A. WESTER,
SECRETARY & TREASURER.



THOMAS A. EDISON

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS.

F. E. M.

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.

10 FIFTH AVENUE, NEW YORK.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY,
BUENOS AIRES.

CABLE ADDRESS
"ZYNOTIC, NEW YORK"

ADDRESS YOUR REPLY TO

Nov. 7th, 1906.

New York, N.Y. = will be

SPECIAL BULLETIN "A"

SALES DEPARTMENT BULLETIN (NUMBER SPECIAL "A")

TRADE INFORMATION FOR JOBBERS

dealers in those towns know that we have taken this action

All correspondence concerning this bulletin should mention its number and be addressed to the NATIONAL PHONOGRAPH COMPANY, Sales Department, 10 Fifth Avenue, New York, N. Y.

: : : : :

Gentlemen:-

Pursuant to our protective policy regarding the establishing of new dealers; we desire that you refrain from establishing any more dealers in the following towns. Also, that you refer to this Department any applications for dealership from these places.

Kindly take particular note of the towns named below, and accept our thanks in advance for your co-operation in this direction.

Yours very truly,

NATIONAL PHONOGRAPH-COMPANY,

G. H. Dolbear
Manager of Sales.

ALABAMA.
Oneonta
ARKANSAS.
Stuttgart
Camden
Springdale
Gillette

CALIFORNIA.
Merced
Santa Rosa
Colusa
Eureka
Selma
Whittier

COLORADO.
Durango
Rifle
CONNECTICUT.
Brookfield
DELAWARE.
Bridgeville

[ENCLOSURE]

-2-

GEORGIA.

Toccoa

IDAHO.

Lewiston
Boise

ILLINOIS.

Tallula
Anna
Morrison
Keithsburg
Havana
Murphysboro
Mokence
Springfield
Vandalia
Carmi
Bloomington
Newman
Albion
Olney

INDIANA.

Anderson
Lima
Liberty
Batesville

IOWA.

Centerville
Iowa City
Tama
Boone
Wapello
Center Point
Anamosa
Conesville
Keota
Brighton
Riverside
Wellman
Wyman
Verdi
Washington
Victor
Brooklyn
Davenport
Toledo
Denison
Kalona

KANSAS.

Sharon
Belleville
Baxter Springs
Quenemo

KENTUCKY.

Elizabethtown
Cynthiana
Horse Cave
Hartford
Fulton

LOUISIANA.

De Ridder

MAINE.

Bar Harbor
Camden

MARYLAND.

Pocomoke City
Westminster

MASSACHUSETTS.

Everett
Lawrence

MICHIGAN.

ZeeLand
So. Boardman
Imlay City
Hastings
Hemondsee
Grant
Adrian
Three Rivers
Byron

MINNESOTA.

Albert Lea
Browns Valley
Cannon Falls
Marshall
Winona
Underwood
Le Roy
Torah
Coldspring
Eden Valley
Roscoe
St. Martin
Elmore

MISSISSIPPI.

Gulfport

MISSOURI.

Kahoka
Clinton
Burlington Jct.
Canton
Stewartville

NEBRASKA.

Cornlea
Hastings
Foster
Pierce
Bloomfield
Ohiowa

NEW HAMPSHIRE.

Colebrook
W. Stewartstown
Manchester
Dover

NEW MEXICO.

Tucumcari

NEW YORK.

Moravia
Sacket Harbor
Geneva
Carthage
Ithaca
Lyndonville
Corning
Floral Park

NEVADA.

Reno

NEW JERSEY.

Red Bank
Somerville
Belmar
Dover
So. River

NORTH CAROLINA.

Caroleen

NORTH DAKOTA.

Carrington
Cooperstown
Ray
Stanley
Enderlin
Wahpeton
Lansford

OHIO.

Leetonia
Ravenna
Defiance
St. Johns
Bowling Green
Findlay

[ENCLOSURE]

-3-

OKLAHOMA.

Wagoner
Pawnee
Custer City
Shawnee
Snyder
Holdenville
Ponca City

OREGON.

McMinnville
Astoria
Woodburn

PENNSYLVANIA.

Hamburg
Lock Haven
Lewisburg
Newport
Pottsville
Millheim
Clarion
Latrobe
Genesee
Eleven Mile
Cawayo
Erie
Hopewell

ONTARIO CANADA.
St. Catherine

Towns and Cities in
following Counties of
VIRGINIA.

James City
Norfolk
Elizabeth City
Isle of Wight
Mansemond
Bullfolk
Princess Ann

PENNSYLVANIA.

Saxton
Youngsville
Denver
Titusville
Waynesburg
Brookwayville
Coudersport
Estella

SOUTH CAROLINA.

Rock Hill

SOUTH DAKOTA.

Bixby
Willow Lake
Wagner
Millbank

TENNESSEE.

Ashland City
Dayton
Greenville

TEXAS.

Plainview
New Braunfels
New Boston
Belcherville

VERMONT.

Brandon
Burlington
So. Randolph
Brattleboro

WASHINGTON.

Sedro-Wooley
St. John
Wanatchee
Chehalis
Waitsburg
Bellingham
Centralia

WEST VIRGINIA.

Martinsburg

WISCONSIN.

Arcadia
Lake Mills
Amery
Rice Lake
Alma Center
Spring Green
Prantice
Augusta
Plymouth

VIRGINIA.

Charlottesville

FRANK L DYER,
PRESIDENT & GENERAL MANAGER



THOMAS A. EDISON

IN REPLYING ADDRESS THE COMPANY NOT
THE INDIVIDUAL AND MENTION THESE INITIALS

C. H. WESTICE
33

A. WESTICE,
SECRETARY & TREASURER

Phon. - Sales

NATIONAL PHONOGRAPH CO.

ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.
10 FIFTH AVENUE, NEW YORK.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY,
BUENOS AIRES.

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

F. K. D.

ADDRESS YOUR REPLY TO

DEC. 31-1908.

Edison
Water
New York

Mr. F. L. Dyer, President,
National Phonograph Company,
Orange, N. J.

Dear Sir:--

Referring to my trip to Chicago, would state that the entire force of Western salesmen were there, and we had a very interesting meeting Monday after-noon, going over matters generally with them, and outlining the campaign for the coming season. We found that the salesmen were very enthusiastic over the prospects for business, although in certain localities, business had not come up to the jobbers or dealers expectations. This was due in a great measure to our inability to supply the new goods as the trade demanded; although in some parts of the country where the jobber or dealer depended upon employees of factories or mines, it was brought about by the fact that such people had only recently returned to work, and as they were in debt for actual necessities, they were not in position to buy luxuries.

There were a number of suggestions made by several of the salesmen, which will be taken up by Mr. Philips with the various departments. All these salesmen will continue their work, starting in January 4th, 1909.

On Monday evening we had an informal dinner at Rector's, at which eighteen were present, we having invited several out of town people who happened to be in the city, - among whom were G. F. Craig, formerly of the Indiana Phon. Co., Indianapolis; Wm. Myers, travelling salesman for Schmelzer Arms Co., Kansas City; Chas. Armstrong, an Edison dealer from Clinton, Iowa, and D. O. Hopkins of Hopkins Bros. Co., Des Moines, Ia.

We had another business session on Tuesday, and on Tuesday evening we all went to a Show.

On Sunday, Messrs. Weber, Philips and myself, went to Milwaukee where we had a very pleasant interview with Mr. Mc Greal. Mr. Philips succeeded in obtaining a settlement of the Mc Greal account, in full to Dec. 1st, 1908, consisting of a small check and a series of Notes, which Mr. Philips will draw to your attention personally.

Mc Greal has 326 signed Edison dealers as against 70 Victor dealers; he received 309 dealers' orders for Edison January records, as against 4 advance orders for Victor list. He informed me that his purchases for Victor goods during the year 1908 amounted to approximately \$16,000, as against \$77,392.53 in Edison goods. He also stated that 90% of the Victor goods he handles is sold at retail. This condition of affairs in the State of Wisconsin is verified by our Mr. Hope, travelling salesman, who advises that our line has the call in that State.

In Chicago we found that the jobbers are particularly well pleased with their holiday business, as also fully satisfied that they will obtain good results in the next two months.

I discussed with Mr. Fred. Babson, the matter of their advertising, for the reason that Mr. Edison had informed me he had received a number of copies of Stock and Farm papers, in which he found seven Victor advertisements as against one of the Babsons' Ads. Mr. Babson explained that in all probability these particular papers had been sent to him by someone who desired to show what the Victor Company was doing in the way of advertising, or it might have been that these papers were certain ones which he only uses on alternate weeks or months. He advised me that they will expend for January advertising approximately \$30,000, and that they have all back pages in the entire list of Stock and Farm papers that amount to anything. Mr. Babson stated that he was approached by the Victor Company to take on their line, on the same basis as they are handling ours, with the understanding that the Victor Company would pay for all advertising. This proposition was promptly turned down. They had one day in December in which their retail sales amounted to \$17,500, all of which covered Edison goods. They are now receiving about 3,000 pieces of mail daily.

In an interview which I had with Mr. Goodwin of Lyon & Healy, he again brought up the matter of the necessity of our producing the hornless machine, and the stand of the Victor Victrola.

There appears to be a continued demand from the jobbers that we lessen our present two-minute monthly list, and I believe it will be well to again give this matter careful consideration.

This is simply a brief outline of conditions as I found them, although there are a number of suggestions offered by both jobbers and salesman, which will be taken up with the various departments.

Yours very truly,

F. L. Dyer
 Manager of Sales.

**National Phonograph Company Records
Correspondence, Foreign (1908)**

This folder contains correspondence and other documents relating to the marketing and supply of phonographs and cylinder records in Europe, Australia, Mexico, and elsewhere. Most of the items are letters to or from William E. Gilmore, president of NPCo, and his successor, Frank L. Dyer. Other correspondents include Carl H. Wilson, assistant general manager (general manager after Gilmore's resignation); Walter Stevens, manager of the Foreign Department, and Thomas Graf, managing director of NPCo, Ltd., and the Edison Gesellschaft. Among the items for 1908 are letters pertaining to prices and management, the condition of business in Europe, and the quality of records manufactured there. Included are reports outlining changes in the extent and organization of the European business under incoming president Dyer and the liquidation of the record manufacturing plants in Great Britain, France, and Germany. Also included are letters discussing the introduction of longer-playing Amberola records and phonograph attachments; the production of recordings by Leo Tolstoy; the capital stock of NPCo, Ltd., Compagnie Française du Phonographe Edison, and Edison Gesellschaft; and ongoing litigation with Edison-Bell, Columbia, and Pathé Frères.

Approximately 10 percent of the documents have been selected. Among the items not selected are letters regarding price changes and ongoing litigation with the Edison-Bell Consolidated Phonograph Co., Ltd.

Record-Manuf.
EDISON WORKS



AMERICAN
COLUMBIAN
PHONOGRAPHS
AND
RECORDS

Telegrams and Cables: HARMONIX, LONDON.
Telephone: 42 HARLESDEN.

National Phonograph Co., Ltd.,

RECORDED
JAN 18 1906
AND
MADE
1/18/06 Jav

VICTORIA ROAD, WILLESDEN,
LONDON, N.W. 7th Jan. 1906.

Mr. W.E. Gilmore, President,
National Phonograph Co.,
Orange N.J., America.

Dear Sir,-

Please find enclosed a report showing the amount of records shipped from the Brussels, Berlin, Paris, and London Factories during the years 1903, 1904, 1905, 1906, & 1907, up to and including December 31st 1907.

As usual, the Sales Departments cancelled their stock orders January 1st 1906, which were placed at the various Factories, in order to enable them to take stock. New stock orders are now beginning to come in.

The day after Christmas the Brussels Factory had orders on hand for 80,000 records for the London Sales Department, and on December 31st 7,000 records were still due to the Sydney Sales Department, 2,500 records to Reimers Kenberg, and 1,000 records to the Paris Sales Department. These amounts seem to be enormous, but considering a Factory with the production of 70,000 records per week, it is absolutely necessary to have orders for above amounts always on hand, inasmuch as there are many selections among the orders, of which abnormal quantities are required of the same Selections.

The Paris Factory had orders on hand for 5,000 records on December 29th.
Address reply to this communication to NATIONAL PHONOGRAPH Co., Ltd., "Factory" Dept., not the individual.

Mr. W. R. Gilmore, President,

The London Factory had orders on hand for approximately 30,000 records, the day after Christmas.

You will find from enclosed report that an average of 70,460 records have been shipped from the Brussels Factory weekly during the weeks ending October 29th to December 31st 1907 inclusive, to the London Sales Department, Sydney, Paris Sales Department, Reimers Henberg, Berlin Sales Department, Orange and the London Factory.

At the London Factory we only manufacture records of Selections appearing on the American Catalogue, and we have nearly completed the transfer of American moulds from the Brussels Factory to the London Plant. This has been done in a systematic manner, as care must be exercised that only such moulds are transferred for which no orders are on hand, in order to avoid any loss of time during the transit.

We hope that by the end of this month all moulds of American Selections will be transferred. We shall then commence the transfer of the British moulds, and suspend the manufacture of records at the Brussels Factory at the earliest date possible.

The Mould Manufacturing Department will be removed during the summer months, and during this transfer moulds for one supplement will have to be manufactured at the Berlin Factory. However, it may be possible that the London Sales Department will decide to suspend one supplement during one of the summer months; in that case, we shall not need the assistance of the Berlin Manu-

N. P. Co., Ltd.


Sheet No. 3.

Mr. W. E. Gilmore.

facturing Department.

I expect by the end of August or the beginning of
September next the entire Brussels Plant will be removed to Willes-
den.

Yours very truly,
NATIONAL PHONOGRAPH COMPANY, LIMITED.


Superintendent.

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

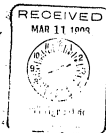


Photo. Lab.

Sydney, N. S. W. January 16th, 08.

127
Sale
National Photo Co.
of Australia

Mr. Walter Stevens,
Manager, Foreign Dept.,

NATIONAL PHONOGRAPH CO., NEW YORK, U. S. A.

Dear Sir:-

We have your favor of November 14th, commenting on the list of the amount of business done by our different Jobbers through Australia and New Zealand, as sent you on September 25th. Now that we have finished the year, 1927, we feel sure that it would interest you to have a further memorandum of the total amount of business done by our Jobbers through the year. We are therefore sending this to you herewith, and as well as showing the amounts for the year, we will include the figures for the first six months in parallel columns, so as to be easy of comparison by your goodself. You will note on going through this list, that perhaps the largest number of the Jobbers show a falling off in the last six months. The figures for the year are net, that is, after deducting credit on our books, so that it is only natural that the last six months would be less than the first six months, even supposing the Jobbers did the same amount of business. In the first place our prices were reduced as a matter of fact from June 15th, the credit for this reduction in price from June 15th to June 30th, being included in the last six months figures. As well as this, we have of course a slight falling off in the business itself, especially in some of the States, Victoria probably showing worse in this respect than any of the others. The less populous States, are, we feel sure, judging from the figures shown, going to make very good returns for the present year.

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

-2-

We have just received a visit from Mr. A. E. Beal, of Rockhampton, Queensland, and he is very pleased with his present prospect of largely increased business in the coming year.

Now in relation to increasing the amount of business that it be required of Jobbers to do per year: We do not think it would be wise to stipulate the figure mentioned by you, for New South Wales and Victoria, that is £4000 per year. There would of course be two or three Jobbers in these States that could come up to that figure, but the large majority would not. One special reason for fixing a lower figure than shown by you is the fact that our prices are again reduced on account of the elimination of the Customs duty, the reduction in the selling price to Dealers, will be approximately sixteen and one third per cent., or one sixth of the whole, so that we should reduce the amount of business to be done by this figure from what we would have expected had it not been for the present reduction we are making in the prices. We quite realize that our present figures are far too low, as we have stipulated £1000 for the New South Wales and Victoria, and £600 for all other locations. New Zealand has heretofore been fixed at a higher figure than the other smaller populated States here, on account of the fact that our prices to them had been lower than Australian prices, because of the Drawback that we obtain. Now, of course, that there is no Customs Duty in Australia, these figures will be on the same basis. We would suggest the fixing of the yearly business to be done in New South Wales and Victoria at £2500, and for South Australia say £1500, with £1200 for Queensland, Western Australia and New Zealand.

We have just arranged for a new Jobber in Launceston, Tasmania, and in this field, we rather think we should charge the first year at say £1000, building that up, as we find the business can be done in that

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

-3-

new State. The population in Tasmania is not large enough for us to make room for two Jobbers, although we have had numerous applications for such business there. We now feel that our list of Jobbers for Australia and New Zealand is pretty well complete, and in fact we would rather see a reduction made in some States than an increase.

Even with the figures that we have stipulated above, we will probably eliminate two Jobbers in Sydney, these being Mr. J. K. O'Meagher and Osborn & Jerdan Ltd., on account of not coming up to the necessary figure, and as a matter of fact these two are not at present attempting to do a wholesale Trade, preferring to strive after a large retail Trade to keep up their figure.

In Victoria, we will probably, by increasing of the figures, eliminate at least three Jobbers, and probably four. The three would be James Anderson, Fremantle & Co., and Maples. We could easily do without all of these three, but the fourth one, we would not like to see eliminated from the List. This is Suttons Prop. Ltd., If they are eliminated however, it would be entirely their own fault, as they have notified us that they do not consider a dealers business worth chasing after on account of the comparatively small profit obtained. If they do not care for Dealers' business, naturally we do not care to have them on our Jobbers List. The stipulations of a higher business would probably stimulate them to seek after new business with Dealers, and thus bring them up to the limit that we make. The figures that we mention above, would not, as far as we can see, alter the List of Jobbers in any other center.

We sincerely hope that the amounts we have mentioned will be accepted by you, as correct, as we will probably have to send out our new

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

-4-

Agreements prior to the time of a written reply from you. Before making out such new Agreements, we will await information from you, as to making this on the same lines as your Agreements in the United States, and if this does not come to hand in letter form, by the time we are ready for the work we intend to cable you for your views.

In the meantime, commending these new figures to your kindly consideration,

We remain,

Yours very truly,

National Phonograph Company,
of Australia, Ltd.,

(Signed) W. W. Wyper,

Manager.

Copy/VHF

[ENCLOSURE]

JOBBERS BUSINESS DURING YEAR 1907.

| <u>NEW SOUTH WALES</u> | <u>From Jan. 1st, to June 30th</u> | | | <u>From Jan. 1st, to Dec. 31st</u> | | |
|------------------------|------------------------------------|-----------|----------|------------------------------------|-----------|----------|
| Albert & Son J. | 1816 | 16 | 11 | 3882 | 6 | 11 |
| Blackadder J. | 1768 | 14 | 2 | 3676 | 5 | 11 |
| Jackson & Macdonald | 2479 | 2 | 3 | 5934 | 19 | 2 |
| O'Meara J. K. | 641 | 2 | 5 | 1293 | 8 | 7 |
| Osborn & Jordan Ltd. | 1770 | 14 | - | 2270 | 12 | 3 |
| Palling & Co., Ltd. | 3281 | 11 | 4 | 5583 | 14 | - |
| Willoughby & Co. | 2300 | 7 | 8 | 4618 | 5 | 1 |
| Warcker Max. | 2723 | 11 | 4 | 3354 | 7 | 9 |
| | <u>£17802</u> | <u>11</u> | <u>1</u> | <u>£21292</u> | <u>19</u> | <u>6</u> |

VICTORIA

| | | | | | | |
|--------------------------|---------------|----------|----------|---------------|-----------|----------|
| Allen & Co., Prop. Ltd. | 3938 | 13 | 11 | 6005 | 13 | 9 |
| Anderson J. | 812 | 10 | 10 | 1638 | 13 | 7 |
| Firth G. | 2802 | 14 | - | 4577 | 4 | 4 |
| Fremantle & Co. | 463 | 11 | 5 | 872 | 6 | 8 |
| Maples | 872 | 13 | 1 | 1038 | 3 | - |
| Macrow & Sons Prop. Ltd. | 3413 | - | 3 | 5552 | 19 | 8 |
| Suttons Prop., Ltd. | 1064 | 8 | 7 | 1746 | 0 | 11 |
| Westbrook C.D. | 2510 | 15 | 2 | 3738 | 14 | 5 |
| | <u>£15978</u> | <u>7</u> | <u>1</u> | <u>£25720</u> | <u>16</u> | <u>2</u> |

SOUTH AUSTRALIA

| | | | | | | |
|---------------------------|--------------|-----------|----------|--------------|-----------|----------|
| New York Import Co., Ltd. | 2682 | 7 | - | 4798 | 15 | 2 |
| Williams T. E. | 2008 | 2 | 4 | 3746 | 12 | 11 |
| Symonds Bros. | 715 | 10 | 4 | 1375 | 7 | 5 |
| | <u>£5270</u> | <u>19</u> | <u>8</u> | <u>£9917</u> | <u>15</u> | <u>8</u> |

QUEENSLAND

| | | | | | | |
|-------------------|--------------|----------|----------|--------------|----------|----------|
| Palin & Co., Ltd. | 535 | 5 | 7 | 1568 | 10 | 4 |
| Heindorf Bros. | 497 | 19 | 0 | 1230 | 15 | 5 |
| Beal A. E. | 614 | 19 | 0 | 1845 | 0 | 9 |
| | <u>£1648</u> | <u>5</u> | <u>1</u> | <u>£4672</u> | <u>6</u> | <u>6</u> |

WESTERN AUSTRALIA

| | | | | | | |
|------------------|--------------|----------|----------|--------------|----------|----------|
| Firth H. R. & G. | 570 | 12 | 10 | 1739 | 8 | 2 |
| Nicholsons Ltd. | 597 | 8 | 10 | 1239 | 19 | 1 |
| | <u>£1177</u> | <u>1</u> | <u>8</u> | <u>£2978</u> | <u>7</u> | <u>3</u> |

NEW ZEALAND.

| | | | | | | |
|------------------------------------|-------------|----------|-----------|---------------|-----------|----------|
| Begg Chas. & Co., Ltd. | 1244 | 14 | - | 1990 | 4 | 7 |
| Chivers A. M. | 519 | - | 5 | 1296 | 19 | 2 |
| Harris & Ven Stevoren | 1042 | 14 | 8 | 1353 | 9 | 9 |
| Hayward & Garratt | 833 | 2 | 3 | 1222 | 17 | 7 |
| New Century Talking Machine, Auck. | 901 | 15 | 1 | 1628 | 16 | 1 |
| " " Wellington. | 1880 | 8 | - | 3212 | 15 | 3 |
| Pidgeon & Co., Ltd. | 284 | 7 | 8 | 2058 | 9 | 5 |
| | <u>£896</u> | <u>1</u> | <u>11</u> | <u>£12998</u> | <u>12</u> | <u>9</u> |

S U M M A R Y

| | | | |
|-------------------|---------------|-----------|----------|
| New South Wales | 31292 | 19 | 6 |
| Victoria | 25720 | 16 | 2 |
| South Australia | 9917 | 15 | 6 |
| Queensland | 4672 | 6 | 6 |
| Western Australia | 2878 | 7 | 3 |
| New Zealand | 12998 | 11 | 9 |
| | <u>£87661</u> | <u>16</u> | <u>8</u> |

Cable Address: "ZYMOTIC, NEW YORK."
A. L. A. S. C. COMMERCIAL CODES, BRITISH AND WESTERN UNION CODES USED.

TELEPHONE
1352 STUYVESANT.

FOREIGN DEPARTMENT

TRADE
MARK.
Thomas A. Edison
MARK.

NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.

FACTORIES:
ORANGE, N. J., U.S.A.

10 FIFTH AVENUE.

NEW YORK, N. Y.

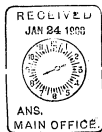
LONDON, PARIS, BERLIN,
BRUSSELS, SYDNEY,
MEXICO CITY,
BUENOS AIRES.

EDISON PHONOGRAPHS
AND RECORDS.
EDISON PROJECTING KINETOSCOPES
AND ORIGINAL FILMS.
EDISON PRIMARY BATTERIES
AND FAN MOTOR OUTFITS.
BATES NUMBERING MACHINES.

New York, U.S.A.

Jan. 23rd, 1908.

Mr. W. E. Gilmore, President,
National Phonograph Co.,
Orange, N. J.



Dear Sir:-

I enclose herewith copies of letters recently received from our Australian office, having reference to the reduction of duty on our goods in Australia, and in order that you may thoroughly understand the situation, I beg to submit the following particulars:-

For a number of years, and up to August 9th, 1907, Phonographs and Records in Australia were subject to 20% ad valorem. After that date, the duty was increased to 35%.

No notice whatsoever was given in advance of the proposed increase in duty.

On all shipments landed subsequent to the date when this new duty was fixed, the increased duty was applied.

This action on the part of the Government proved very unpopular with the Australians, and the entire press was filled with adverse criticism. It was assailed from every quarter, claim be-

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.G.,

-2-

ing made that this was not a protective tariff, as no Phonographs were manufactured in Australia, and the whole burden fell on the working class, who were the largest purchasers of talking machines and Records.

Some time before this matter was to come up for official decision, our Mr. Wyper prepared to fight the measure, and he, in connection with several of our largest jobbers, raised a fund, and employed a party to represent their interests.

Under date of December 7th, I received a cable from Mr. Wyper, reading as follows:-

"Phonographs, Records, made duty free; cable new prices, when operative",

and the following cables were exchanged between us:-

"New York, December 11, 1907.

"Sydney, Sydney:

"Referring to your telegram of the 7th, if it is true that duty will be abolished on Phonographs Records, would suggest that prices should be reduced to correspond London. Unless absolutely necessary, should not be effected within the next sixty days, unless you are compelled to take such action as may be necessary to guard your interests against your competitors. We rely on your judgment. Do not advise any immediate action until you cable full particulars. Is rebate allowed custom duties? Will invoice Records f.o.b. New York from December 1st."

Commenting on the last sentence, would state that we had been delivering Records to Sydney f.o.b. Sydney, but, on account of the reduction in price to 10% each for Standard Records, we withdrew the freight allowance, and compelled Mr. Wyper to pay the freight from New York to Sydney.

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.G.,

-3-

"Sydney, December 18, 1907"

"Zymotic, New York:

"In reply to your telegram of the 11th, we fully agree with London prices machines subject usual discount. Do not recommend 1/s Records. Would suggest that lower price should be effected to Jobbers and Dealers January 1st, retail March 1st. Customs will not refund duty unless for export only."

"New York, December 24, 1907.

"Senide, Sydney:

"Received your cable of the 18th. You are charged Records 10/ f.o.b. New York and London. Can you sell Jobbers 7d, dealers 9d, list 1/1d? If not, telegraph suggestions. Will deliver free Sydney everything with the exception of Standard Records."

"Sydney, December 30, 1907.

"Zymotic, New York:

"We recommend jobbers 7d, dealers 9d, list 1/3d, or Machines London prices at present rate of discount Australia. Would prefer Gems 4s/s with 3s and 5% to jobbers instead of 42/s, 30 and 5% New York."

"New York, December 31, 1907.

"Senide, Sydney:

"Received your telegram of the 30th. If you can pay freight records New York to Sydney, approve 7d, 9d and 1/3d list. Approve Gems 4s/s, discount 3s and 5% jobbers."

I have received no further cable messages, but expect to receive in the course of a few days, a letter from Mr. Wyper, which will undoubtedly make the entire matter clear.

I might here state that prior to this last reduction, the following prices on Standard Records ruled in Australia:-

| | s | d |
|----------------|---|-----|
| List, | 1 | 6 |
| Dealers, | 1 | 11½ |
| Jobbers, | | 8½ |

The new prices will be:-

NATIONAL PHONOGRAPH COMPANY.
FOREIGN DEPARTMENT

W.E.G.,

-4-

| | s | d |
|----------------|---|-------------------------------|
| List, | 1 | 3 |
| Dealers, | | 9 ¹ / ₂ |
| Jobbers, | | 7. |

On August 9th, when the duty was increased to 35% on Phonographs and Records, the duty on Kinetoscopes and Films was raised to the same amount, i.e., 35%. Prior to that date, Kinetoscopes and Films were shipped free of duty. This duty on Kinetoscopes and Films has been confirmed, and is now in force.

This increased duty on Kinetoscopes and Films will undoubtedly affect our sales somewhat, as the same material can be brought in from England for 10% less, this being preferential duty in favor of England.

With reference to the machines and Records on which duty has been paid, Mr. Wyper writes as follows:-

"We can undoubtedly look after the majority of this stock, so far as Machines are concerned, by exporting, and therefore obtaining the Drawback. On Records our position is not so clear. The consumption of Records in New Zealand, which is our present main outlet for export from Sydney, would not consume anything like the Records we have in stock at duty paid price within the next three years, which is the limit of time in which we can apply for and obtain a Drawback on the duties paid. The writer has naturally been evolving a number of schemes in his mind which we could use to ease our present position, but this will be made the subject of a separate letter."

Yours very truly,

Walter Gibson

Manager Foreign Department.

Enclosures.

W. S.

C.

CABLE ADDRESS: "ZYMOTIC, NEW YORK"
A. I. A. B. C. COMMERCIAL UNITS IN FOREIGN COUNTRIES AND WESTERN UNION CODES USED.

TELEPHONE
1352 STUYVESANT.

TRADE
Thomas A. Edison
MARK.

FOREIGN DEPARTMENT
OF THE
**NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.**

10 FIFTH AVENUE.
NEW YORK, N.Y.

FACTORIES:
ORANGEN, U.S.A.

EDISON PHONOGRAPHS
AND RECORDS.
EDISON PROJECTING KINESCOPIES
AND ORIGINAL FILMS.
EDISON PRISTINE BATTERIES
AND FAN MOTOR OUTFITS.
BATES NUMBERING MACHINES.

LONDON, PARIS, BERLIN,
BRUSSELS, SYDNEY,
MEXICO CITY,
BUENOS AIRES.

New York, N.Y.

Feb. 11th, 1908.

PERSONAL.

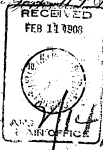
Mr. W. E. Gilmore, President,
National Phonograph Co.,
Orange, N.J.

Dear Sir:-

We are at times greatly inconvenienced on account of the delay made necessary by forwarding checks in payment of our accounts to you at Orange for your signature, or for the signature of Mr. Randolph as Treasurer.

We are, as you know, importing large quantities of wax, on which we are obliged to pay duty. Sometimes we only have a few hours' notice to pay the duty, and it requires the services of a special messenger to send the check covering this duty to Orange, unless you happen to be at the New York office when these notices are received.

To cite an instance: Saturday of last week we were called upon to pay, in the forenoon, \$500.00 duty, covering a shipment of wax. Unless this duty was paid before noon of that day, we were notified that the shipment would be sent to the Public Stores. As you were at Buffalo, and we did not have time to send a messenger to the factory in the forenoon, in order to have Mr. Randolph sign



NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.G.,

-2-

a check, I was obliged to borrow the money, to keep the shipment from going to the Public Stores.

I again bring this matter to your attention, as I believe it would work out to the advantage of all concerned if you would vest me with the necessary authority to sign Foreign Department checks.

Awaiting your reply, I beg to remain,

Yours very truly,

Walter E. Swain
Manager Foreign Department.

W. S.

C.

Telegrams & Cables, "RANDOMLY, LONDON"
CODE USED. A. I. A. B. C. COMMERCIAL,
LIESERS AND HUNTING'S

TRADE
Thomas A. Edison
MARK

Phon.-Mansf

Telephones
NO 5050 HOLBORN,
- 1190

FACTORIES.

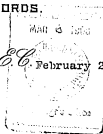
ORANGE N.J. USA.
BERLIN.
PARIS.
BRUSSELS.

IN REFERRING ADDRESSES THE COMPANY, NOT
THE PROPRIETOR AND NEITHER THESE OFFICES.

NATIONAL PHONOGRAPH CO. LTD.
EDISON PHONOGRAPHS & RECORDS.

25, CLERKENWELL ROAD.

London & Co.



THOMAS A.
EDISON'S
PHONOGRAPHS,
GOLD MOULDED
RECORDS,
PROJECTING
KINETOSCOPES,
ORIGINAL FILMS,
BATTERY FOR
MOTORS,
PRIMARY BATTERIES.

February 25th 1908

Personal

W.E. Gilmore, Esq., President,
National Phonograph Company,
Orange, New Jersey.

Dear Sir,

Please excuse my not having replied to your letter of the 13th instant at an earlier date. I have spent nearly two weeks at the Berlin office where I was unable to dictate any English letters as at that time I had no stenographer to take them. The few letters which I wrote you and Mr. Wilson from Berlin I first had to write out by hand.

With regard to the moneys which you can expect from time to time I shall be very glad to carry out your suggestions and write you, say twice every month if I am able to send you any money. I should, of course, be glad to make it a point to send you remittances twice a month, but the present situation is such that I can not do it, and more than that, I am afraid that I cannot even make monthly remittances. I appreciate the situation in America and I wish I could do more than I am doing, but the business of the past months and other things indicate that our business over here shall not be spared by the effects of the depression in America. The present situation over

N. P. Co., Ltd.

February 25th 08

Mr. Gilmore, Orange.

-2-

here is somewhat discouraging. I was not sure whether it is only the phonograph and cylinder business that is suffering, but I have in the meantime made inquiries with a number of factors, and although they all agree that the disc business is better than the cylinder business it nevertheless is poor as well. The factors I have seen here and in Germany tell me that the orders from dealers are coming in very slowly, and the dealers tell me they have never before experienced such bad times. The recent reduction in price of the Gramophone Co., from 5/- to 3/6, and of the Odeon records to 3/- each bears out that it is not the phonograph and cylinder trade only which is affected but the Talking Machine Trade as a whole. In Germany we have had a number of failures in the business, and through one of these failures -the Orchestrophon Company- the Gramophone Co. lost Mk. 96,000, and a German manufacturer of discs Mk. 50,000, so I am reported.

Our Bank Balance to-day is £10143.17.9, and as I cannot expect any large payments between now and March 10th I am not in a position to make any remittance. Under ordinary conditions I would not want a bank balance of £10,000, but not knowing how the business will turn in the near future I feel obliged to hold to the money as much as I can, as it would be rather awkward if shortly after having made a remittance to you I should be obliged to call on you for assistance.

I regret that I cannot give you yet any definite figures for the fiscal year 1907, but I can already tell you that in

N. P. Co., Ltd.

February 25th 1908

Mr. W. E. Gilmore, Orange.

-2-

spite of the low sales in the first half of 1907 and of the enormous amount credited in connection with the reduction in price of our records, the result will not be quite as unfavorable as I anticipated. The London business I estimate will show a loss of approximately £3500, against which stand the profits of the Brussels factory and wax plant. Mr. Buehler told me that he has written you about the Brussels figures from Brussels.

The Berlin sales department will show a loss of Mk. 48,000 (\$12,000), against which stands the profit, approximately the same amount, made by the factory, so that the final result, which I cannot yet tell, will be either a nominal loss or a profit. The result will be a few thousand Marks one way or the other, but I regret that I cannot yet say anything definite as the work there is not advanced far enough.

The figures of the Paris office I shall make the subject of a separate letter.

Yours very truly,
Thomas Graf
Managing Director

Th. G/Sch. Dict. 24.

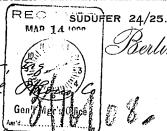
Telegraph-Adresse:
Edisonwerk AG.

EIGENE HÄUSER:
GRANDE N. U.S.A.
NEW YORK
LONDRA
PARIS
BRÜSSEL

TRADE
Thomas A. Edison
MARK

EDISON-GESELLSCHAFT M. B. H.

EDISON-PHONOGRAPHEN u. GOLDSCHWALZEN.



M. P. - Sales
Fernsprecher:
Amt II Nr 2891

THOMAS A.
EDISON'S
PHONOGRAPHEN,
GOLD-SCHWALZEN,
KINOTOGRAPH,
DINAMIT-FILMS,
BATTERIEN,
PHONO-BATTERIEN,
HÖRER-MASCHINEN.

Berlin N 39 March 22nd 08.

W. S. Gilmore

Ceo. Kart.

Dear Sir:

The balance sheet of the factory was completed to-day and after allowing 10% depreciation on M & S. F. E. C. and writing off \$87¹⁵ stolen by the former book-keeper the result shows a net profit of \$29027.15.

The number of records manufactured was 1270.721 and sales 1.279.072 causing a reduction of \$351 in the inventory of Dec. 31/07 as compared with inventory of Dec. 31/06.

The rebate allowed on account of price reduction amounted to \$6500 in round figures. Mr. Kauf thought the factory should stand this but to save book-keeping I advised him to let same remain on the Sales dept. books, it makes no particular difference as the factory profits have been transferred to the Sales office, he of course is anxious that the latter office should make a good showing but I explained that due consideration would be taken of this item when the balance sheets are examined at Orange.

The cost of records jumped from 7²² in 1906 to 9²⁸ per 100 in 1907 which is due to 3 pr. arrangement and bad results of molding, towards the latter end of the past year trouble again arose of pin holes, bad wear and breakages which lowered the percentage of production considerably.

The selling price differed little from that of 1906 as two prices were in vogue during 1907, to August they were sold at 58 Pf. and then at 40 Pf. while in 1906 up to July they

Telegramm-Adresse:
EDISON BERLIN

EIGENE HÄUSER:
ORANGE N.J.U.S.A.
NEW-YORK.
LONDON.
PARIS.
BRÜSSEL.

TRADE
MARK
Thomas A. Edison
NAME

EDISON-GESELLSCHAFT M. B. H.
EDISON-PHONOGRAPHEN u. GOLDBUSSWALZEN.

SÜDUFER 24/25.

Fernsprecher:
ANT. II NP 2891.

THOMAS A.
EDISON
PHONOGRAPHEN:
GOLD-BÜSSWALZEN,
KINETOSCOPE,
DIAGRAM-FILMS,
KATHODE,
PRINER-BATTERIEN,
NUMERIER-MASCHINEN.

Berlin N 39

were sold to change @ 40 Pf. and subsequent to that month billed to this Sales office at 58 Pf. Should the cost price not be reduced during the present year you will notice the factory profit will not be large as at present the margin per 100 Reverts is only 72 %.

From a cursory examination of the Sales office books I find that the gross profits on sales amounts to \$60,512.19, and \$2277.50 received from royalty matters \$6789.69, against this we have expenses amounting to \$94,294.27 leaving a deficiency of \$21,504.58, deduct factory profits of \$29,027.15 leaves a net loss of \$2477.43, in addition I intend to write of 1/10 of patent account amty. to \$6566⁰⁰ which will bring the amount over 9000⁰⁰. These figures do not take into consideration bad debts, shrinkage or further bills that may be rendered, so on the whole you will see that we have had a bad year in Germany, in fact our P & L account here which at present has a surplus of \$9016²⁵ will be entirely wiped out by the past year's trading.

We are started on the Sales office books and if no bugs develop expect to finish here by the 10th, on my way back to London, I will stop at Brussels to see how far advanced they are in removing to Willersden, if they are in the position so that I can close out the books for good will remain there a few days until the job is completed.

From reports business is dull every where at present, and no doubt the panic in America is largely the fault, the papers daily report failures of business houses in

Telegramm-Adresse:
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Thomas A. Edison
MARK

EDISON-GESELLSCHAFT M. B. H.

EDISON-PHONOGRAPHEN U. GOLDFÜSSWALZEN.

SÜDUFER 24/25.

—2—

Berlin N 39

different parts of Germany and every German I speak to enquires at once what business prospects are in the U.S. which of course I cannot answer.

I'm glad to see that the papers report Mr. Edison is recovering, since receiving your cable regarding Johnny; mad as I dread to pick up a paper, fearing some bad head lines may stare me in the face.

Mr. Graf has informed me that al. Clark has resigned his position with the French Gramophone Co. he also states that the resignation was due probably to bad results of that Company in France. This may be shale news to you as far as the resignation goes but it shows that there are others in the same boat as far as profits go in France.

*Yours truly,
T. A. Edison*

Fernsprecher:
ANT II NR 2891

THOMAS A.
EDISON'S
PHONOGRAPHEN,
GOLD-FÜSSWALZEN,
KINETOSCOPE,
ORANGE-FILM,
VICTROL,
PHONOR-BATTERIEEN,
HÖRGERÄTE-REPARATUR.

CHW

C.H.W..G

SB

Mar. 17, 1908.

Mr. Thomas Graf, Managing Director,
National Phonograph Co. Ltd.,
London, England.

Dear Sir:

Due to a recent legal decision, regarding the sale of present type Edison Phonographs and Edison Records in New York State, we have been compelled to make changes in the construction of machines, as per details enclosed. The new model machines will be known as model "D".

Until our present stock of prohibited parts is exhausted, there will be no change made in machines to be shipped outside of New York State. This will mean one to three months, as for some types of machines we have more parts than for others. The Gem will probably be the first to be changed over for universal use, and others will follow. In the meantime machines of present type will be shipped on all your (foreign) orders.

If you so desire, we will ship to you personally one each of the Gem, Standard, Home and Triumph model "D" machines, but they must be kept absolutely under cover and no one besides yourself see them until such time as we are in a position to supply them for your trade. Let us know your wishes in regard to this. }

Regarding records, we have discontinued the gold moulding process and have adopted a graphite process. We are also discontinuing the use of the name "Gold Moulded Records" in all advertising, on carton labels and wherever else it has heretofore been used, and in place thereof will use simply the words "Edison Records"

It will not be necessary for you to discontinue the use of Gold Moulds at present, if at all, in the manufacturing of your records, but in order to have uniformity of name in advertising, &c., it will be advisable for you to discontinue the phrase "Gold Moulded" in all its present usages, just as rapidly as is possible and convenient for you to do so.

Yours very truly,

Asst. Gen. Mgr.

DJL
Enc.

P.S. Mr. Gilmore requests me to advise that should you instruct us to forward you samples of the different model "D" machines, they should be kept in a room at Willesden, under lock and key, in order to prevent any possibility of their being seen by any of your trade or our own people other than yourself. }

Mr. W. E. Gilmore:

Record-Memo

Mr. Westee and I have both read the attached letter from Mr. Graf, and as he requested a cable reply to several questions asked, we thought it advisable to forward same to you, as we do not feel in a position to reply to them. There is no question but that we can supply him with all of the American selections he desires, if you decide that he should draw on us for these records. I dislike to trouble you with any business matters, and would not do so in this case were it not that Mr. Graf asks for a cable reply.

4/24/08.

C. H. Wilson.

*Cable Graf all propositions
his letters ^{of} sixteenth
Approved*

[ENCLOSURE]

Telegrams & Cables: "RANDOMLY, LONDON."
Codes used: A.I. A.B.C. COMMERCIAL
LETTERS AND NUMBERS



Revised Manual
Telephones
N° 5050 HOLLAND
1190

FACTORIES,
ORANGE N.J. USA
BERLIN
PARIS
BRUSSELS.

NATIONAL PHONOGRAPH CO. LTD.
EDISON PHONOGRAPHS & RECORDS.

25, CLERKENWELL ROAD.

THOMAS A. EDISON'S
PHONOGRAPHIC
GOLD MOULDED
RECORDS.
PROJECTING
KINETOSCOPES.
ORIGINAL FILMS.
BATTERY FAN
MOTORS.
PRIMARY BATTERIES.

IN REFERRING ADDRESS THE COMPANY, MEET
THE PATENTERS, WHO RESIDE THERE WHOLLY

Th. G/Sch. Dict. 15.

London, C. G. Sch. Dict. 15th 1908



Strictly Personal.

W. E. Gilmore, Esq. President,
National Phonograph Company,
Orange, New Jersey.

Dear Sir,

I herewith enclose two letters which are specimen of the complaints we receive. The terms used in them are comparatively tame. We are receiving numbers of letters from dealers and the public which express the same ideas in terms of indignance etc. It is true the general conditions over here, not of the phonograph business only, are very bad indeed, and although I expect an improvement when Fall sets in, it is of course idle to make any prediction with regard to the economical and financial conditions. The worst of it is that in addition to the general condition the quality of our records is not only not improving but is getting worse, -the pin hole trouble is simply awful and I am entirely helpless in that matter. To-day I received letters from Berlin asking me to do something at once towards the improvement of the quality of our records, as customers do not accept, or listen any more to the evasive explanations which we were wont to give through the last 18 months. Our customers, of course, no longer believe that the trouble is only a temporary

[ENCLOSURE]

N. P. Co., Ltd.

April 16th 1908

Mr. Gilmore, Orange.

-2-

one, since it has kept up right along and is becoming worse and worse. The latter condition has caused the opinion that the poor quality of our records is due to the reduction in price. We have, of course, kept on asserting the usual formula, - that if anything the reduction in price has caused us to do more than before towards the improvement of the quality of our records. The erection of the factory at Willesden and the removal from Brussels have of necessity made me more indulgent than otherwise, and when Mr. Riehl was at a loss to remedy the difficulties, I advised him to call for help, which he did. Mr. Aiken came over here with Mr. Tighe, but the presence of Mr. Aiken has been in no way beneficial. Mr. Tighe has probably tried to do his best during the short time of his stay, but I must say that he has also failed to do anything towards overcoming the difficulties. He is as helpless as everybody else about the pin hole trouble.

In addition to this the output of the Willesden factory, which was always too small for the expense of labor which we invested, has become smaller than before. We are sinking into the factory enormous amounts of money for wages and don't get any practical results. Mr. Buehler will probably speak to you about some differences between Mr. Riehl and Mr. Tighe, but these differences are not so very serious. I have had a talk with Mr. Riehl and if there should have been any ill-feeling on the part of Mr. Tighe because of a supposed uncertainty of his position, this should have been smoothed over by the fact that Mr. Riehl has named him Assistant Superintendent, and I have

[ENCLOSURE]

N. P. Co., Ltd.

April 16th 1908

Mr. Gilmore, Orange.

-3-

#1

convinced myself that he has given him full swing now, if he has not already done it before. The real fact is, that Mr. Tigho is also at his wits' end and he seems to find himself incapable of producing results and he evidently has not sufficient backbone to face the difficulties until he has overcome them, for he repeatedly expressed his desire to go home, where he is I suppose in a less responsible position and where things probably run much smoother. Mr. Riehl is very meek at present and anything you will introduce here will be gladly accepted by him. Mr. Riehl and I have always been on good terms, but you know when Mr. Schermerhorn left for some reason or other, our original intentions were not carried out, probably in order not to hurt Mr. Riehl's feelings, or more likely in order to keep the two branches apart as far as people over here are concerned and have a centralisation personified by Mr. Schermerhorn in America. In my opinion this was quite unnecessary, as Mr. Riehl at that time was quite willing to accept conditions, but seeing how things went I did not insist on anything.

I am giving you this description of the present conditions here solely for your own information and if you can act upon it, according to what you yourself think necessary, kindly give the question of the production here your immediate consideration and let me know what you possibly can do towards improving the manufacturing conditions.

The workmen here are at present not on piece work, but are paid by time. Mr. Riehl has tried repeatedly to put them on

[ENCLOSURE]

N. P. Co., Ltd.

April 16th 1906

Mr. Gilmore, Orange.

-4-

piece work, but was always forced to go back to time work, however expensive, in order to fill our orders. He will now go back to piece work again, and with the poor results we get here I am sure this will have the effect that most or perhaps all of the men will go and Mr. Riehl will have to start over again to break in new help. The consequence will be that we shall not even get the bad deliveries which we have had for the last 6 months, but we shall practically get no deliveries, and in order not to sacrifice too much of the business I will during that time place orders for American records with you, provided that you are in a position to fill these orders and provided that this scheme is to your satisfaction.

For the same reason and furthermore to cut down our expenses, I propose not to issue any supplements of British made records during July, August, and possibly also September. This will reduce our recording expenses considerably, and I think it will not do us any harm, as the present conditions are such that we cannot expect very good sales during these months. I do not anticipate any difficulty on the part of our customers in carrying out this scheme. I think factors as well as dealers will fall in with the explanation we will give them in a circular letter in which I shall tell them that acting on suggestions of factors and dealers we have decided to bring out only the American records during July, August, and September, in order not to overload our catalogue. This circular letter can be ^{more} better worked out and more and better reasons stated.

[ENCLOSURE]

N. P. Co., Ltd.

April 16th 1908

Mr. Gilmore, Orange.

-5-

Kindly cable me on receipt of this letter 1) if it is satisfactory to you if I draw on you for our supply of American. July, August, and September records, 2) if you approve of our not issuing any British records during July, August and September. This as far as the British territory is concerned.

With regard to the French territory you will have noted that business is improving there, but as I must save wherever I can in all of our territories I will not issue any French records during July, August, and September in Paris, but only issue during these months the 6 band, orchestra, and instrumental records which we take from the American list every month. This will do away with all talent expenses of the Paris recording department during the next 3 months.

What I have just said about the Paris supplements I also propose doing with the Berlin supplements.

Kindly also cable me if this scheme meets with your approval.

I think our French and German customers will find this scheme very acceptable, because we are rather overloading them with selections, as we are bringing out the whole year round the same number of selections every month irrespective of the importance of the season.

Yours very truly,

Thomas Graf
Managing Director

P.S. Can only one of the letters mentioned above, as I have not yet replied to the other and it contains an order too.

J. W. AYLSWORTH,

Technical Chemical Expert.

TEL. 424 ORANGE.

LABORATORY

No. 223 Highland Avenue,
EAST ORANGE, N. J.

EAST ORANGE, N. J., *Apr. 22 1908.*

Mr. G. H. Wilson.

Regarding the trouble with pin-holes which it is stated they are having in Europe, I would suggest that Mr. Rich be advised to look carefully into the following causes of pin-holes.

First - Insufficient framing off of new wax and of remelted scrap.

Second - Sediment in dipping tanks.

Third - Too rapid circulation in dipping tanks.

Fourth - Too low temperature in dipping tanks.

Regarding the first consideration, if the capacity of the plant is not such as to allow the proper time, there it should be enlarged.

As to the second, if sediment is found it should be ascertained whether it comes from the Chrome or from settling of the lamp black. If the former reject the lots of Chrome which cause it, & if the latter use less lamp black or select a grade which is sufficiently light so it will not settle. This can be tested in

J. W. AYLSWORTH,

Technical Chemical Expert.

TEL. 404 ORANGE.

LABORATORY—
No. 223 Highland Avenue,
EAST ORANGE, N. J.

EAST ORANGE, N. J., _____

a small way by keeping the wax ^{quiet} at the dipping temperature for a day & noting the sediment by feeling with a glass rod, or by carefully pouring off & noting the sediment.

It would be a good plan to store the wax in a couple of large tanks which can be kept at about 300° & draw from one of these after it has settled quiet for a day, allowing a space of a few inches for sediment to collect.

As to the third condition: The circulation should be just rapid enough to get a clear surface of wax & not so rapid as to cause waves & ripples.

As to the fourth: The temperature should be kept constant at 236.7° & the congealing point of the wax should be kept constant at 230° F.

I ^{advise} ~~ask~~ these precautions & would altogether recommend that Mr. Richel come over here & get familiar with the machine molding of records & start the same as soon as

J. W. AYLSWORTH,

Technical Chemical E. part.

TEL. 404 ORANGE.

LABORATORY.

No. 223 Midland Avenue,
EAST ORANGE, N. J.

EAST ORANGE, N. J., _____

possible in Europe on the 100 thread
records using the Monitor wax, as
that is the only way to materially
improve the wear of records & entirely overcome
the pinhole trouble & at the same time
cheapen the production.

Very truly yours.

J. W. Aylsworth.

Record - Many.

C.H.W.

April 29, 1908.

Mr. W. B. Gilmore,
The Homestead,
Hot Springs, Va.

My dear Gilmore:

Edgar delivered your letter of the 25th, with which you returned Graf's letter of April 16th. I showed Graf's letter to Mr. Edison, and he, of course, could not understand it any better than any of the rest of us can. He did not think a conference between the different heads you mentioned necessary, but did think that Graf's reason for discontinuing July, August and possibly September lists, was principally because of trouble experienced in manufacturing, and for that reason instructed me to send the following cable in your name:

"If you think it advisable instead of cutting July and August lists go ahead with them--send us duplicate masters--we will make moulds and fill your orders without delay."

I hardly thought this cable necessary or advisable, inasmuch as from Mr. Graf's letter, I take it that business conditions as well as poor manufacturing results were the reasons for his thinking it best to discontinue the two months' lists, with the exception, of course, of American selections which we will manufacture here. On the 25th, I called him, as instructed by you, that all propositions in his letter of the 16th were approved by you.

I will answer Mr. Graf's letter as fully as I am able, but those portions which evidently relate to Riehl and Tigue, as well as Riehl and Graf, not working in perfect harmony, I cannot answer very intelligently, owing to lack of information concerning their different positions and just what each ones power and authority is.

I have conferred with Messrs. Weber, Aylsworth, Miller, Dodd and Aiken, regarding the poor results they are obtaining on records, and the consensus of opinion is that the trouble lies principally in the making of them; that is, if Riehl uses the same formula we do and carries on the different manufacturing processes the same as we do, we can see no reason why he should not get equally as good results as we do, and although we, of course, have had and are still having our own troubles in manufacturing perfect records, our percentage of good ones is certainly much larger than theirs. There is not reason why Riehl should not follow our formula and methods, as when Mr. Aylsworth was abroad last year, he fully explained them to Mr. Riehl. Mr. Dodd keeps him posted from time to time as to the mixture we use to obtain best results, how it is used, &c., and Mr. Aiken claims to have explained and gone into

2. 4/29/08.

W. E. Gilmore, Esq.

this matter very thoroughly from all points of view when he was over. Mr. Ayleworth has furnished me with some data explaining just what may cause their troubles, which I will incorporate in my reply to Mr. Graf to-day. This should be unnecessary, however, for the reason as before stated--not he alone but Mr. Dodd as well as Mr. Aiken, have already furnished Mr. Richl with this same information.

I am enclosing a letter from Fred Babson, which was received the latter part of last week and which I did not forward at once as I thought you might return on Monday last. I have not acknowledged same, thinking it would perhaps be better for you to do so personally, and also felt that there was nothing in it that demanded an immediate reply.

Everything here is moving along nicely, and so far as I know nothing of enough importance has come up to demand your personal attention. I have called a meeting of the Heads for Thursday evening to go into the matter of the new record and machine, so that when you return I will be able to present to you a consensus of opinion regarding the quantity of records to be listed at the start; number to be listed monthly thereafter; name and price, also whether the new machine should be equipped with the crook-neck horns, whether they should contain attachments to operate both the old and new record; whether an increase should be made in the list price, and if so, how much; whether the machines should be put out under the present name, or new names given, &c.

Business is certainly very quiet--last week's shipments of machines being the lightest in several years. The total machines shipped being only 733--records 115,577.

The matter you referred to in your personal letter to me will hold over until you return at least, and I hope to be able to get along without it altogether.

Trusting you are feeling better daily, will return fully recuperated, and with kindest regards to both Mrs. Gilmore and yourself, I am,

Yours very truly,

P.S. If Mr. Graf is going to run the foreign plants so light during the summer months, it would perhaps be a good idea to have Richl come over here and get fully posted on our methods of making records, so that when they start up there again he will be in a position to produce satisfactory results.

C.H.W.

[ATTACHMENT]

If you think best
↗ Go ahead make British masters
pack well ship ^{by freight} ~~to us~~ we will
make moulds here and supply
you records without delay -

~~ES~~
EJ

Record - Manuf.

C.H.W...D

April 29, 1908.

Mr. Thomas Graf, Managing Director,
Edison Works,
London, England.

Dear Sir:

Your strictly personal letter of the 16th to Mr. Gilmore, was forwarded to him at Hot Springs, Va., where he has been for the past two weeks and will perhaps remain another week or 10 days. After reading your letter, he wired me to cable you, which I did as follows:

"Refer to your letter of the 16th, approve all propositions."

He then returned letter to me with instructions to show it to Mr. Edison and reply direct. Mr. Edison's impression was that the principal cause for your not issuing foreign lists during July, August and possibly September, was due to trouble you were experiencing in obtaining satisfactory manufacturing results, and that if we were in a position to do your moulding, you would perhaps decide to continue the lists. On the 27th, I therefore sent you another cable, as follows:

"If you think it advisable, instead of cutting July and August lists, go ahead with them. Send us duplicate masters, moulds can be made by us and can execute orders to any extent for your account without delay."

My opinion is you will not do this, as I take it that it is not on account of poor manufacturing results altogether that you are dropping these lists, but also on account of business conditions, as well as to save expense in your record plant. However, should you decide to continue the lists, and desire us to make the moulds and supply you with the records, we can do so, but you would, of course, have to send us the ~~samples~~ some time in advance, in order to obtain the records in time to go on sale on your regular dates. So far as American selections are concerned, we can furnish them promptly, particularly current stock. On new lists, I would suggest that as soon as you play over the samples which we furnish, that you forward order for minimum quantities desired, so that we could get to work on them and make shipment in advance of our domestic orders. You could then follow this initial order with additional ones if the occasion required.

We all regret and are very much surprised to learn of the continued trouble you are experiencing in obtaining satisfactory manufacturing results and cannot understand why such should be the case. Evidently, the percentage of good records manufactured

4/29/08.

Thomas Graf, Esq.

at your plants is much smaller than with us, and even the percentage that you do get, develop pin-holes after having passed inspection. This we cannot understand, as Mr. Riehl is using the same ingredients that we are, knows exactly what our present mixture is, had ~~had~~ it fully explained to him by Mr. Aylsworth when he was over last year, by Mr. Dodd through correspondence and by Mr. Alken when he was over, just what our methods are and how we work to obtain best results. It would, therefore, appear to simmer down to one of two things. It is either because your help do not, cannot or will not produce good results, or because Mr. Riehl is not following our mixture and methods, but instead is constantly making changes in the mixture, temperature and speed, with the hopes of bettering the situation, but instead of doing so, constantly making it worse.

The labor conditions which you have to contend with are, no doubt, a great handicap, but we do not see how we can advise or help you any regarding them. We were in hopes that Mr. Alken's visit would relieve and straighten you out on these conditions, and that Mr. Tighe's remaining with you would soon result in such methods being adopted as would enable you to work your crews on piece-work, in such a manner as would be entirely satisfactory to them, as well as produce satisfactory and profitable results to you.

From your remarks, however, Mr. Alken's advice and instructions were in no way beneficial, and although Mr. Tighe has done his best, he has failed to overcome the difficulties. What more we can do from this end we are certainly at a loss to determine; however, you should not give up in despair or become discouraged, but on the contrary keep at it with renewed exertion, firmly determined to surmount and overcome all obstacles. This may take time but the turn is bound to come and when it does you will feel well repaid.

I have talked over with Messrs. Weber, Aylsworth, Dodd and Millar; the unsatisfactory results you were obtaining, particularly the pin-hole difficulty, and they are at a loss to know what further assistance can be given you from here. Mr. Aylsworth, however, desires to have again brought to your attention several things which might cause the pin-hole trouble. These you will find on separate sheet enclosed.

Regardless of what you do in the way of listing new records, or having us supply your requirements for American selections, it is quite evident you will not be able to close your moulding plants altogether, as you will have to continue them to make current stock; therefore, in addition to overcoming any troubles which may be due to reasons stipulated by Mr. Aylsworth, it is also very necessary that you overcome any troubles you are having with the help, and if the changing from day-work to piece-work is going to interfere with your obtaining a good production, you should keep the men on day-work until the production of good records represents a much larger percentage, or in other words, until you have overcome any troubles which may be due to reasons given by Mr. Aylsworth. Then when you become satisfied with the percentage of good records obtained, we cannot see why you should experience any difficulty in shifting the men to piece-work and convincing them that they can make more money than by day-work.

3.

4/29/08.

Thos. Graf, Esq.

So far as the output of the Willedden factory being too small for the amount expended for labor and its now being smaller than heretofore, is concerned, we do not see but that this condition is bound to exist until your present difficulties are overcome and better results obtained, and unless this can be accomplished it would appear that we might better give up our foreign plants altogether, and arrange to do all manufacturing from this side. Let us hope, however, that the enormous amounts of money you refer to as sinking in the Willedden factory, will eventually be returned in the way of increased output, satisfactory results, etc.

Mr. Buehler has mentioned some little differences which have taken place between Mr. Riehl and Mr. Tighe, but does not think they should prove at all serious, and now that Mr. Riehl has made him Assistant Supt., we trust the differences have all been smoothed over and that they are working together in perfect harmony. If Mr. Tighe is unable or finds himself incapable of producing satisfactory results, or if he lacks stamina to face and overcome such difficulties as arise, it would appear that he is not the proper man for the place and the sooner that is definitely determined the better. We would suggest, however, that hasty conclusions be not jumped at in connection with his ability or knowledge of the business, but, on the contrary, that he be given every opportunity to demonstrate what he can do.

That paragraph of your letter referring to Mr. Riehl and the original intentions decided on when Mr. Schermerhorn left, is not understood by either Mr. Gilmore or myself. Mr. Gilmore states that when he was abroad last year, he had long talks with both you and Mr. Riehl, and impressed upon you both the necessity of working hand in hand to accomplish the best results, and if there has been any friction, or if your disagreeing as to methods or policies has in any way been the cause of the trouble or complaints you refer to, we would like to have you write us immediately, giving full particulars.

In approving of your discontinuing the July, August and September lists for Paris and Berlin, also London, we are, of course, guided by the assumption that you have carefully considered the question and decided it would be for the best. We fail to see however, how you can cut out all talent expenses by closing any or all of your Recording Departments, as you must certainly have some of the talent under contract, which means their salary will have to be paid whether they work or not, and there may be others who if you shut them out for three months, will either secure work of a similar nature elsewhere, or not feel willing to come back when you want them, and such action might seriously handicap you later on.

The letter which you enclosed from one of your dealers is only similar to those we receive from domestic trade occasionally, and while the complaints mentioned therein are no doubt true, you should not permit them to worry you too much, as until the millennium is reached and we are able to turn out record that each and every one of which can be guaranteed as absolutely perfect in every way, shape and manner, such complaints as this are bound to be received occasionally. We return the letter herewith.

4. 4/29/08.

Thos. Graf, Esq.

As you will draw on us for American selections for July, August and possibly Sept., we presume you will not require moulds or duplicate masters covering these three months' selections; at any rate, I have instructed that shipments of same be held up until we hear definitely from you in the matter. This also applies to the Grand Opera records, July list.

It is quite possible that when Mr. Gilmore returns, he will write you further in connection with certain portions of your letter, at least. In the meantime, I trust my reply will be entirely satisfactory and prove of some benefit.

Yours very truly,

DJL
1-Enc-

Asst. Gen. Mgr.

[ATTACHMENT]

CAUSES AND SUGGESTED REMEDIES FOR PIN-HOLE RECORDS.

FIRST: Insufficient foaming off of new wax or re-melted scrap.

SECOND: Sediment in dipping tanks.

THIRD: Too rapid circulation in dipping tanks.

FOURTH: Too low temperature in dipping tanks.

Regarding the first condition, if the capacity of your plant is not such as to allow the proper time for necessary foaming off, then the plant should be enlarged, or you should work slower.

As to the second, if sediment is found, it should be ascertained whether it comes from the ebonite or from settling of the lamp black. If the former, reject the lots of ebonite which caused it, and if the latter, use less lamp black, or select a grade which is sufficiently light so it will not settle. This can be tested in a small way by keeping the wax quiet at the dipping temperature for a day and noting the sediment by feeling with a glass rod, or by carefully pouring off and noting the sediment. It would be a good plan to store the wax in a couple of large tanks which can be kept at about 300° and draw from one of these after it has settled quiet for a day, allowing a space of a few inches for sediment to collect.

As to the third condition, the circulation should be just rapid enough to get a clear surface of wax and not so rapid as to cause waves or ripples.

As to the fourth, the temperature should be kept constant at 286° F., and the congealing point should be kept constant at 290° F.

It is barely possible that these temperatures would have to be slightly changed to meet certain conditions, but the best of judgement should be used in making any changes whatever, as under most conditions the regular temperatures will produce best results.

CAUSE ADDRESS: "ZYMOTIC, NEW YORK."
A. I. A. S. C. COMMERCIAL, LEADER'S HUNTING'S AND WESTERN UNION CODES USED.

TELEPHONE,
1352 STUYVESANT.

FOREIGN DEPARTMENT
OF THE

NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.

10 FIFTH AVENUE.

NEW YORK, N.Y.

FACTORIES:
ORANGE, U.S.A.

LONDON, PARIS, BERLIN,
BRUSSELS, SYDNEY,
MEXICO CITY,
BUENOS AIRES.

TRADE
Thomas A. Edison
MARK.

EDISON PHONOGRAPHS
AND RECORDS.
EDISON PROJECTING KINOSCOPES
AND ORIGINAL FILMS.
EDISON PRIMARY BATTERIES
AND FAN MOTOR SUFFITS.
BATES NUMBERING MACHINES.

New York, U.S.A.

May 8th, 1908.

Mr. W. E. Gilmore, President,
National Phonograph Co.,
Orange, N.J.



Dear Sir:-

I beg to submit the following report covering the work accomplished during my recent trip to Mexico City:-

I left New York March 16th, accompanied by Mr. Cabañas, and reached Mexico City March 21st, going by rail.

RECORD MAKING:

The first matter to receive attention was arranging necessary quarters for Record Making, and also making contracts with the talent.

A part of the second floor in our building, 20th Santa Clara was partitioned off, and a room of the proper size was obtained. Contracts were made also with part of the talent, so that no delay was occasioned, and almost immediately upon the arrival of Messrs. Werner and Burt, they were enabled to go ahead with the work of recording.

As Mr. Cabañas expects to leave the employ of the Company

ADDRESS ALL COMMUNICATIONS TO THE FOREIGN DEPARTMENT.

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.R.G.,

-2-

just as soon as his work of record making is finished, I arranged to have Mr. Lewis and myself present when nearly all the contracts were made with the talent, and have on file copies of all the contracts, and full details, both at the Mexican and New York offices, in order that when this work is taken up another year, Mr. Lewis will be thoroughly conversant with the whole matter.

We expect to make about 300 selections; of this number, 100 will be new selections, the balance made-over selections, the masters of which are mechanically defective. These made-over selections represent titles which we first made in Mexico City, and many of which were defective. I am sure that the selections which are now being taken will excel any heretofore made, as we are taking unusual precautions to have the greatest possible care taken. Mr. Werner is looking after the mechanical end very carefully, and, in addition to the services of Mr. Cabañas, who has a large experience in Record making, we secured the services of the assistant leader of the Orchestra of the Conservatory of Music in Mexico City, who is a very competent musician. This gentleman gives his whole time, charging us a very modest salary, and, in addition to criticising the Records from a musical standpoint, he also does all the work of arranging orchestral and band selections.

In making contracts with the talent this year, we found that on account of the other Talking Machine Companies having made use of their services, their prices had materially increased. In view of the fact, however, that our business relations with the talent have always been of a pleasant character, we were able to

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.G.,

-3-

arrange satisfactory terms with them, and as a whole, the prices asked were not very much in excess of those previously paid.

CABAÑAS AS A JOBBER:

As soon as the work of recording is completed, which will undoubtedly be on or about July 1st, Mr. Cabañas desires to take up the sale of our goods in the Republic of Mexico as a jobber. He will have associated with him a Mr. Parker, a man of large business experience and of considerable means, who, at the present time has the sole agency for the Oliver typewriter, having branches in most of the important cities in the Republic.

During my visit I had several conversations with Messrs. Parker and Cabañas, and both of these gentlemen are very enthusiastic, and expect to establish branches in the different cities of the Republic.

They propose, also, to take over our retail store, paying us jobbers' prices for the entire stock, and also reimburse us for all expenses incurred in fitting up this retail establishment. You will recall that when I visited Mexico City a year ago, I found that we did not have a single live jobber or dealer in Mexico City. The people doing business there were more dead than alive, and it seemed to me imperative that we adopt some method of bringing our products to the attention of the buying public. The only remedy seemed to be the establishment of a retail store, and a store in a splendid location was obtained, and after refitting, it was opened up for business. This store, with the exception of the first month it was opened, has shown a profit, but I believe that when Messrs. Cabañas and Parker are ready for business, they will take up the work enthusiastically, and we will then be well represented,

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.G.,

-4-

both in a wholesale and retail way, and the necessity of maintaining a retail establishment will then be obviated.

By turning over this retail store to these people, it will relieve Mr. Lewis our Manager, of considerable responsibility, and will enable him to give more attention to the wholesale end of the business.

COMPOSERS' COPYRIGHT SUIT:

Upon investigation, I found that the suit entered by the composers of Mexican selections against the Victor Company had been decided by the lower Courts in favor of the composers, and I have been promised a copy of the decision, which I expect to receive in the near future.

So far as the suit against our representative, Mr. Alcalde, is concerned, as far as I can learn, nothing further has been done.

Mr. Edward M. Burns, Vice-President of the Columbia Phonograph Company, called upon me in Mexico City, and wished me to call with him on the American Minister in Mexico, and enter protest against the manner in which the decision was rendered against the Victor Co. I declined his invitation, as I told him that our attitude was not to recognize the composers' claim in any way, and I refused to have anything whatever to do with the matter.

It seemed inconsistent to me, as representing the National Company, to join with the Columbia Company and enter a protest to the American Minister on a decision against another Company who was not represented in any way. I expect to make an appointment with Mr. Dyer at an early date, and will take up the whole matter very fully with him at that time.

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W. R. G.,

-5-

It is the general impression in Mexico that Messrs. Ricordi & Co., the Italian publishers, are behind this suit, and if the higher sustains the verdict of the lower courts, then all the Talking Machine Companies will be involved.

It is also claimed that the composers have engaged a very prominent attorney, who is related to some of the legal lights before whom the case was called, and that undue influence was used.

MEXICAN BUSINESS:

I find that business in Mexico is rather quiet at the present time. Business there seems to have suffered the same as here, on account of the recent depression. All things considered, I think that our business is keeping up remarkably well.

Our important jobbers in Torreón, The Warner Drug Company, have practically dropped out of business, on account of their endeavoring to do a large credit business on the installment plan. They are trying to weather the storm by discontinuing purchasing, and giving their entire attention to the matter of collecting their accounts. They are very honorable people, and no doubt will eventually win out, and be able to meet all obligations promptly, but on account of their very limited means, they are making very few purchases, hence our trade has suffered somewhat on that account, in their locality. Our Mr. Lewis has been negotiating with other parties, and hopes in the near future to establish another jobber in that territory, and Messrs. Cabañas and Parker also expect to open a branch in that city.

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.G.,

-6-

I am very glad to report that Mr. Lewis is working hard to make our business a success. He is an exceptionally good salesman, and although his knowledge of general office work and accounting is rather limited, yet he is very anxious to learn, and I am sure that with the experience he is gaining every day, he will soon become very competent.

I might state that much of my time during my visit to Mexico City was spent with Mr. Lewis, in going over matters of business, and giving him instructions as to the conduct of the business.

When I first reached Mexico City, I found that Mr. Lewis was handicapped on account of his having an inefficient bookkeeper. The old bookkeeper had resigned his position prior to Mr. Lewis' coming to the Mexican office, and Mr. Cabañas had engaged a new man who was recommended to him as being competent, but who proved to be very incompetent, and my advice to Mr. Lewis was to dispense with his services at once, and obtain a more competent man. This was immediately done, and I believe the present bookkeeper will prove very efficient, as the work was practically up to date when I left the city.

I might also state that Mr. Lewis has given special attention to the collection of several accounts which had been carelessly handled by his predecessor, and he is using every endeavor to place ^{the} business on a solid footing, and I believe that he will succeed.

CASHIER:

During my stay in Mexico City, I met several prominent business men, and I found it to be a very usual occurrence to have

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W.E.G.,

-7-

their bookkeepers and cashiers resign their positions very suddenly, and take with them several hundreds, and, in some instances, several thousands, of dollars of the firms' funds. Our friends, the Columbia Phonograph Co. proved no exception. Their Manager, Mr. Smith, left suddenly with \$10,000. in gold, and they have not as yet been able to locate him. Mr. Burns of the Columbia Company also advised me that they had a similar experience with their Manager in Havana, Cuba. One of our large dealers, Messrs. Gerber & Carlisle, who have one of the largest furniture stores in Mexico City, had a like experience. Mr. Parker, representing the Oliver Typewriter Company, and who expects to be associated with Mr. Cabañas, also suffered a loss of several thousands of dollars, through one of his trusted employees, and I might go on enumerating several other experiences.

Under the circumstances, I advised Mr. Lewis to discontinue the practice of having the bookkeeper handle the funds, and advised him to appoint Mr. Huebner, the young man I sent down to the Mexican office a year ago, to act in that capacity. He will place Mr. Huebner under bond, and by appointing him to this position, it will relieve the bookkeeper of considerable work, enabling him to keep up his work much better, and will also make our funds more secure by having Mr. Huebner (who, by the way, has been with our Company eight or more years, and was always found to be thoroughly reliable), act in the capacity of cashier.

In conclusion I might add that business at present is very quiet, on account of the mining interests being very hard hit;

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

W. E. G.,

-8-

yet the general feeling is one of optimism, and there is no doubt that business in the near future will begin to show a decided improvement.

I have just received the Auditor's Report from the Mexican office, and just as soon as I have time to go over this report carefully, I will take the matter up with you personally, or make it the subject of another letter.

Yours very truly,

Walter Stewart
Manager Foreign Department.

W. S.

C.

June 13, 1908.

G. Croydon Marks, Esq.,
18 Southampton Buildings,
Chancery Lane, London, W.C.
England.

My dear Mr. Marks:

Yours of the 3rd inst., to Mr. Gilmore, has been received, and I find that your letters of April 13th, April 22nd and April 27th have apparently not been answered.

Mr. Gilmore has retired from the various Edison Companies, to be gone about a year, and I have assumed executive control under the title "Chairman of the Executive Committee". My duties are so absolutely novel and I have had such a very limited experience in business matters that I do not feel qualified to say anything at this time regarding the questions to which you refer in your letters. I might say, however, that the coming of Mr. Graf to America has reference to the entire foreign situation, which we expect to go over minutely in detail with him. Fortunately, Mr. Gilmore expects to be here at that time, and I can have the benefit of his advice.

I note that you leave Liverpool on September 5th, and will be very glad to see you when you come.

Yours very truly,

YLD/IWF

Chairman Executive Committee.

J. Crolydon Marks
M.S.C.E. U.S.E.E.
Consulting Engineer & Patent Expert.

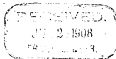
TELEGRAPHIC ADDRESS: REGCONSTRUCTION, LONDON.

TELEPHONE NOS. (*no. 2000*)
LONDON E36, HOLBORN.
BIRMINGHAM, 656.
MANCHESTER, 4272.

SEND AT
13, TEMPLE STREET, BIRMINGHAM.
30, CROSS STREET, MANCHESTER.

*18. Southampton Buildings,
Chancery Lane,
London, W.C.*
June 23rd, 1908.

F. L. Dyer Esq.,
Edison Laboratory,
Orange, N.J.



My dear Mr. Dyer,

I have yours of the 13th instant, and I congratulate you very heartily upon this further mark of confidence that Mr. Edison has reposed in you, for I am perfectly certain that no better selection could have been made in the interests of all concerned.

I quite appreciate that for a little while you will find that difficulties in connection with business matters will arise as to which you have not had absolute parallel experience, but on the other hand I am of opinion that a professional man's training broadens the ambit of his vision and view of affairs generally, so that you need have no apprehension as to the outcome of that which you do, for after all "business" is applied common sense along a certain line while "professional practice" is applied common sense and higher judgment along general lines with no prejudices or narrowed views due to want of experience in other matters.

I hope that the retirement of Mr. Gilmore, which, I presume, may be for reasons of health, will bring about all that he wishes during his period of rest, and I can assure you that I am at

G.C.M.

F. L. Dyer Esq.

Page 2.

your service at any moment and you need have no hesitation at any time in writing me confidentially or otherwise, and no one becomes acquainted over here, unless it is necessary and desirable for them to know, of anything which I may hear or communicate to America.

Of course I am not acting as a spy nor as someone to report for or against those working over here, but I consider that while I am to co-operate, and do co-operate, with those concerned and especially interested in the business, I have the higher and possibly the more personal interest to consider of Mr. Edison and the Orange end of the matters, judged not as one whose sole interest depends upon ingratiating himself or keep-ing in with one or the other, but rather as one in an independent position who can unhesitatingly advise without fear of the consequences and of that advice happening to clash with the interests of others immediately concerned.

If there is any matter that you may wish to know particularly about, do not hesitate to cable me or to call for a more definite or detailed reports, for naturally there are questions involved as to which you, for a short time, may not be acquainted as fully as you would wish.

Yours faithfully,

S. Crockett Howland

Mr. Edison
Mr. Edison:

I have talked over the European situation with Messrs. Gilmore and Dyer and I have expressed the opinion that a comparison of the European Profit and Loss sheets with those of the Australian Co. does not give a true and correct idea of the relative profits of these branches. The difference lies therein that the European branches stand not only by themselves, but in addition the Profit and Loss sheets contain illegitimate items introduced for different reasons, by which in appearance, but not in reality, the profits of our European branches are reduced. I might mention here the charge of £5200 for trade-marks in London and a depreciation of Mk. 157,596 and Mk. 26,267 for patents in Berlin. Then, also, all the loss incurred through the regular annual exchange statements, the rebate given last year to our customers at the time we reduced the price of our records and the return of over 120,000 records made by three of our large London factors, records which were sold by us previous to the erection of our European plants; all this had to be stood by our European branches. Items such as the latter, which are very considerable in amount, do not figure in the statements of the Australian Co., because Orange stands all the cost of these transactions. The allowances that were made by our Berlin and London branches on the stock of our customers at the time of the reduction in price and loss through the exchange system in 1907 amounted to over \$50,000.00. Furthermore, advertising is a very big item in the general expense of our European branches. In 1907, for instance, we spent in Berlin and London approximately \$90,000.00 for advertising, of which about 60% was for general publicity and 40% for catalogues and other printed matter. In other words, our Berlin and London branches spent during 1907

(2)

\$36,000.00 for printed matter-----While the printed matter used by Australia does not influence their profit for 1907, as our Australian office obtains all printed matter gratis from Orange, or, whatever expenses they have in connection with printed matter they charge back to Orange. Therefore, if our European branches have not received the benefit accorded to Australia but had to stand independently and pay all and every expense, they should at least, for the sake of a fair comparison of the Profit and Loss sheets, be treated altogether independently from Orange and should have the advantage of the entire profit on our goods.

I have prepared the enclosed two statements of profits and losses of the Berlin, Brussels and London branches, which show the figures of the regular Profit and Loss sheets cleared from illegitimate items and supplemented by the intermediate profit which Orange has for years past been making on the European record production, also the profit on machines.

I have left out the Paris branch altogether, as there is no reason, for the present purpose, to consider it in connection with the Berlin and London branches, the business in France being just as independent of London and Berlin as the Mexican business, for instance, would be from the Australian, the only difference being there in the geographical distance. I do not refer to Paris because the fate of this branch has practically been decided by you, while the others will be under discussion ^{next} ~~next~~ week.

As the statements show, our German business has yielded

| | | |
|-------------|-----------------|---------|
| a profit of | \$15,054.49 | in 1905 |
| | 37,036.00 | " 1906 |
| | <u>5,186.11</u> | " 1907 |

Total in three years \$58,267.60.

The results of our London branch are

(3)

| | |
|------------------|---------|
| \$ 24,851.93 | in 1905 |
| 153,573.81 | " 1906 |
| <u>28,867.25</u> | " 1907. |

Total for three years \$208,282.99.

I am sending you these two statements in advance of other information. Mr. Dyer and myself will work out a plan showing the advantages and disadvantages of several of the possible schemes, plans on which we would like to get your decision.

7/6/08.

THOMAS GRAF.

[ENCLOSURE]

LONDON SALES OFFICE

| | <u>1905</u> | <u>1906</u> | <u>1907.</u> |
|-------------------------------|------------------|------------------|-----------------|
| Sales Office | \$16,383.00 | \$21,825.00 | \$12,085.00 |
| <u>Profits made by Orange</u> | | | |
| (a) On records | 41,209.68 | 27,270.50 | |
| (b) On Machines | 26,294.93 | 40,629.31 | 27,280.25 |
| Brussels Record Plant | 39,390.00 | 43,317.00 | 6,586.00 |
| " Wax " | <u>13,120.00</u> | <u>20,532.00</u> | <u>7,076.00</u> |
| | \$24,851.93 | \$153,873.81 | \$28,857.25. |

* Our London books show a greater loss, to wit: £9389/6/1, which figure, however, is incorrect-- it should be £3272/12/9, or \$16,383.00, as above, the difference being due to two items which Orange charged to London for trade-marks and experimental work, amounting to £5200/0/0 and £916/13/4 respectively. I understand these charges were solely made for taxation purposes.

Whatwork

[ENCLOSURE]

EDISON GESELLSCHAFT, BERLIN.

| | <u>1905</u> | <u>1906</u> | <u>1907</u> |
|--|------------------|-------------------|------------------|
| Factory | \$7,733.00 | \$10,166.00 | } \$ 286.00 |
| Sales Dept. | 1,543.00 | 13,500.00 | |
| <u>Profit made by Orange</u> | | | |
| (a) On Records | 17,747.00 | 8,139.00 | |
| (b) On Machines | <u>3,488.49</u> | <u>5,231.00</u> | <u>6,472.11</u> |
| London and Brussels as per separate sheet | 15,045.49 | 37,036.00 | 6,186.11 |
| | <u>24,851.93</u> | <u>153,573.81</u> | <u>28,857.26</u> |
| | \$39,897.42 | \$180,609.81 | \$35,043.36. |

✕ The net profit on Berlin books and Profit and Loss sheets is \$3,651.00, but should be \$13,500.00, the difference being due to an item for depreciation of patents, an item introduced in order to reduce profits on our Berlin books.

✕ The net loss on our books and on Profit and Loss sheets is given as Mk. 27,412.61 (\$6,853.00) of which Mk. 26,267.11 is for depreciation of patents, an item introduced in order to reduce the profits on the books. The loss should really figure as Mk. 1,145.50 only, or \$286.00.

W. C. GILMORE,
PRESIDENT & GENERAL MANAGER.

C. H. WILSON,
MANAGING GENERAL MANAGER.

A. WESTER,
RECORDING & PRESIDENT.



NATIONAL PHONOGRAPH CO.
ORANGE, N. J.
EDISON PHONOGRAPHS & RECORDS.
10 FIFTH AVENUE, NEW YORK.

LONDON,
PARIS,
BERLIN,
BRUSSELS,
SYDNEY,
MEXICO CITY,
BUENOS AIRES.

THOMAS A. EDISON
IN REPLYING ADDRESS THE COMPANY NOT THE
INDIVIDUAL AND MENTION THESE INITIALS.

ADDRESS YOUR REPLY TO

CABLE ADDRESS
"ZYMOTIC, NEW YORK"

Orange, N. J. July 11, 1908.

OFFICE OF EXECUTIVE COMMITTEE
FRANK L. DYER, CHAIRMAN

Thomas A. Edison, Esq.,
Orange, N. J.

Dear Sir:

The question as to what should be done with the European business presents many difficulties. I am convinced that a fair comparison cannot be made with the Australian business, for the reason that many charges have been made against Mr. Graf from which Mr. Wyper has been relieved, and credits have been given to Mr. Wyper which Mr. Graf has not received. This does not mean that the European business did not lose money during the year 1907, but that the Australian business has not been as profitable as you may have been lead to suppose from the Profit and Loss sheets. Not only has every legitimate charge been made against the European business as shown by the Profit and Loss sheets, but for the year 1907 there was a purely fictitious charge of about \$7,000.00 for depreciation of patents, which would decrease the apparent loss to that extent. In addition the year 1907 was an extraordinary one in a number of respects. In the first place, the price of our records was reduced, involving a direct loss of almost \$50,000.00 which had to be rebated to dealers and which, of course, influenced the profit to this extent. In addition to this, something like 120,000 records had to be taken off the dealers' hands, involving a further loss of about \$12,000.00.

(2)

Furthermore, a very extensive newspaper and magazine advertising campaign was conducted during that year, involving an expenditure in this field of about \$50,000.00, which Mr. Graf believes was not warranted by the results. These extraordinary charges amount to almost \$100,000.00, so that if they are not considered, the profit of the entire European business would have been in the neighborhood of \$56,000.00. Furthermore, I call your attention to the fact that the loss incurred in the operation of the Paris office and plant for 1907 alone was greater than the total loss shown on the Profit and Loss sheet, so that if the French business had been eliminated entirely, the London, Brussels and Berlin branches combined would have shown a small profit, and this notwithstanding the extraordinary charges against them.

Mr. Graf has already furnished you with a memorandum pointing out these facts and seems to be very anxious that you should understand his position, and that a fair comparison cannot be made with the Australian business.

So far as the year 1908 is concerned, Mr. Graf believes that the Berlin business, both factory and selling office, will probably net a small profit. The Paris office will probably still run behind, although not nearly to the extent of former years. In other words, heretofore the loss has been about \$20,000.00 yearly, while for the present year Mr. Graf believes that this loss will be almost entirely cut out, and possibly a small profit may be made. The English business will show very poor returns, owing largely to the expense incurred, time lost and difficulties encountered in connection with the Willesden plant, and an actual loss may be anticipated, unless, of course, during the coming months conditions are very favorable. All of this is certainly

(3)

not encouraging, but at the same time, Mr. Graf advances many arguments in favor of maintaining the Wilseden and Berlin plants which I commend to your consideration: By having the foreign manufacture we will always have a quick supply of records; With a properly working factory on the spot, or substantially so, we can make deliveries within a few days after receipt of order and in that way most effectually meet any competition giving the same service; a comparatively small stock could be kept on hand, because it could be replenished daily, as at present. Keeping a large stock on hand not only increases General Expense in the way of salaries, rents, etc., but involves the risk of a gradual accumulation of unsalable records. For instance, Mr. White at one time broke up over 100,000 unsalable records, and even after that there were many thousand unsalable records left, some of which are still in stock. With no factories, and even with a large stock, there would be greater delays in shipping orders, although, with effective management and a well conducted system, these delays would probably not be embarrassing. In a territory like Australia, the delays incident to foreign shipments would not be harmful because every competitor is in the same position, but in Great Britain the Edison-Bell Co., the Sterling Co. and the Clarion Co. are all manufacturers and who will be in a position to fill orders on short notice. To give an equivalent service from Orange would mean the carrying of a very large stock in England. If, on the contrary, factors' orders are to be filled in every instance from Orange, it will not be possible to fill orders as promptly as our competitors in Great Britain can do, and this would undoubtedly have some effect on our sales. Of course the factors with whom we deal might be persuaded to carry sufficiently large

(4)

stocks to promptly fill orders for dealers, but this point could not be determined until the factors themselves have been approached. In discussing this particular point with Mr. Graf, he is strongly of the opinion that the factors in England could not be induced to carry sufficiently large stocks to promptly fill orders, as they have become accustomed to obtaining their supplies almost daily from the different manufacturers. Any delays in filling orders would act detrimentally to the business in a number of ways. In the first place, increased opportunity would be offered for canceling orders before delivery. In the second place, delays in filling orders, especially if chronic, would be disturbing to the jobber's business and prompt him to go to our competitors who could give better service, even if he were not forced to do so by the importunities of his dealers. In the next place, repeated delays in filling orders would no doubt tend to lessen the interest of dealers in our goods and turn their attention to those of our competitors' which could be furnished more promptly, and I have no doubt that the Edison-Bell and other concerns would very quickly take advantage of the situation and emphasize the slowness of the service which would result if the goods were supplied from Orange. Of course, in what I have said above in reference to delays in filling orders I do not refer to initial orders, which could be furnished to factors as quickly from Orange as at present, but to renewal orders, which they would probably expect to be filled promptly. It seems to me that these points which Mr. Graf advances are well taken, but it would of course be impossible to say how important a bearing they might have on the future development of the business; they might be very serious indeed, and on the other hand the trade in Europe might be educated to

(5)

the situation and become entirely satisfied. The impossibility of competing on an equality with home manufactured records would in my opinion always be a handicap. In addition to the actual commercial disadvantage in which we would be placed in attempting to compete with European manufacturers by supplying goods from Orange there are other considerations which must be taken into account in passing upon this question. These considerations are largely psychological. For instance, our withdrawal from the field of manufacture, after we had built up a substantial business, passing the Edison-Bell, seriously crippling the Sterling Co. and practically wiping out the Columbia Company's cylinder business from the foreign field, would probably be misinterpreted by the trade. It might look like a confession of failure and our competitors would no doubt ascribe it to that fact. It might be taken as the first move towards a complete withdrawal from the market, causing factors and dealers to lose interest in our goods, and we would certainly not be placed as prominently before them as when maintaining home factories. At the present we are by long odds the first company in the cylinder business in both Great Britain and Germany, and this fact gives us prominence and commands the attention and interest of the trade. Mr. Graf tells me that the general opinion in Europe is that we actually do a much larger business than is really the case. To weaken our position by withdrawing from the field might have serious results.

All of these arguments which Mr. Graf has urged upon me have disturbed me very much. The bad results of 1907 are apparent on the face of the Profit and Loss sheets, but these results were due to extraordinary expenses which were fully considered before being incurred and the consequences of which must have been anticipated. The equally unfortunate results which will undoubtedly

(6)

be shown for the year 1908 are not so obvious, but for the most part can be attributed to the removal of the plant from Brussels to Willesden and the failure to turn out a satisfactory product at the latter plant. Mr. Graf seems to feel that the troubles at Willesden are substantially over, and this view appears to be confirmed by the manufacturing reports of Mr. Riehl. Operations at the Berlin plant are on a good working basis, and if the Berlin and Willesden plants could be counted on to turn out satisfactory records the maintenance of these plants should have most careful consideration. Of course, there is always the risk of the factory operations abroad going wrong and of encountering difficulties which they may not be able to correct, and it is undoubtedly true that these troubles are minimized in a single large plant, as at Orange, having superior advantages of experience and skill. If I felt confident that the Willesden and Berlin plants could be counted on as surely as Orange to operate satisfactorily I believe the commercial advantages of manufacturing abroad would warrant us in keeping them going, because I feel that more money could be made in that way than by manufacturing in Orange and supplying the records to Europe on a "dumping" proposition. If, however, you think that the substantial surety of good results which we might expect from manufacturing at Orange would justify the abandonment of one or both of the foreign plants, a number of schemes have been discussed with Mr. Graf, and to which I direct your attention.

1. The first proposition is to discontinue the Willesden plant and do all the foreign manufacturing in Berlin, making the masters and moulds abroad and continuing the present selling organizations at Berlin and London, with possible reductions in the selling expense. Among the reductions in selling expense would

(7)

be the elimination of magazine and newspaper advertising and the curtailment of staff and salaries, and especially legal expenses, which have been absurdly high. Reductions of from \$20,000.00 to \$30,000.00 per year, Mr. Graf thinks, could be made. If a single plant is to be maintained in Europe, there are reasons why the Berlin plant should be selected. The cost of manufacture at Berlin is somewhat cheaper than at Willesden or Brussels, and in fact, even including General Expense, it is but very little more than at Orange. The figures show that records made by the same process in Berlin, counting General Expense, cost very little more than the same records made in Orange and including only the items of labor, material, packing, transportation and duties. A comparison of the cost of records made by the spinning and dipping process at Orange and laid down in Berlin or London (including only labor, materials, packing, transportation and the German duty) with the cost of such records as made in Willesden and Berlin (including labor, material and general expense), shows the following:

| | |
|---|------------------|
| Cost of records by spinning process made in Orange and laid down in London, | \$5.50 per 100 ✓ |
| Cost of records made by spinning process in Orange and laid down in Berlin, | \$6.90 " " ✓ |
| Cost of records by spinning process at Willesden, | \$7.54 " " ✓ |
| Cost of records by spinning process at Berlin, | \$7.18 " " ✓ |
| Cost of records at Orange by dipping process laid down at London, | \$7.60 " " ✓ |
| Cost of records at Orange made by dipping process laid down at Berlin, | \$9.00 " " ✓ |
| Cost of records by dipping process at Willesden, | \$9.64 " " ✓ |
| Cost of records by dipping process at Berlin | 9.00 " " ✓ |

(8)

If the output of the Berlin plant is increased to include the British trade, the cost of manufacture would undoubtedly be still further reduced. Should manufacturing be continued at Berlin we would immediately do away with the problem of handling the Berlin business in a new way and none of the difficulties involved in manufacturing in Orange would be encountered. Shipments from Berlin to London take from eight to ten days, and mail reaches either place on the morning of the second day after posting. This would mean a saving of from four to six days in favor of Berlin as compared with Orange on an original order, and a materially greater saving in correspondence. There would be less loss of prestige and less of the psychological objections than if European manufacture were entirely discontinued. Our British factors are now receiving records from Berlin and have really not fully accustomed themselves to receiving records from Willemsden, so that the change to Berlin entirely would not be disturbing. It would not be difficult to turn the business gradually to Berlin step by step without any disturbance to our regular supplies. Of course in a measure the same would be true of changing from Willemsden and Berlin to Orange, but the difficulties would be greater and the disturbances probably more serious than in changing from Willemsden to Berlin.

2. The second proposition involves discontinuing both the Willemsden and Berlin plants, maintaining the present selling organizations in Berlin and London, with the possible economies already discussed, and supplying factors in Europe from a warehouse in which a sufficiently large stock could be kept, the recording being done in Europe and the manufacture of moulds and records being conducted at Orange. By carrying a sufficiently large stock of records, the difficulties due to delays in filling orders

could undoubtedly be overcome and orders could be filled as promptly as at present, but the stock would necessarily have to be very large and it would undoubtedly become unwieldy and unsalable records would accumulate in large amounts. Furthermore, the item of General Expense would be considerably increased by rent, insurance, transportation and labor. Should this scheme be adopted, the stock in question should be carried in England, because it would then be admitted duty free and from there could be supplied as ordered to the various European countries.

3. The third proposition is to manufacture in Orange exclusively, maintain selling offices in London and Berlin to receive orders and handle accounts, shipping direct to factors from Orange and making the masters in Europe. This, I understand, is the proposition which you are inclined to favor. It differs from the plan last discussed only in the fact that it shifts the responsibility of carrying a sufficiently equipped and large stock of records to the factors. Should the factors fail to carry sufficient stocks there will undoubtedly be delays in filling renewal orders, which must hurt us to some extent. At the present time we have a large stock of records on hand in London, Berlin and Paris and at present could no doubt fill orders from these supplies with reasonable promptness, but as soon as we had to supply from Orange alone we would certainly encounter difficulties in filling renewal orders in competition with the home manufacturers. Mr. Graf calculates that a sufficiently large selling organization to handle the British and German business would be the following for each country:

(10)

| | | |
|--------------------------|---------------|----------------|
| Office Rent, | \$1250.00 | |
| Insurance, | 75.00 | |
| Light, Heat and Power, | 250.00 | |
| Salaries: | | |
| 2 Stenographers, | \$1000.00 | |
| 1 Book-keeper, | 1800.00 | |
| 1 Assistant & Order Clk. | 600.00 | |
| 1 Boy, | 150.00 | |
| 3 Salesmen, | 4600.00 | |
| 1 Porter, | <u>500.00</u> | 8450.00 |
| Postage, | | 250.00 |
| Printing and Stationery, | | 200.00 |
| Telephone and Telegraph, | | 750.00 |
| Miscellaneous, | | <u>3500.00</u> |
| Total, | | \$14725.00. |

With this expense, assuming that the business in Great Britain would be as large as for 1907, namely, 2,000,000 records and 34,000 machines, and that the cost of laying down the records at London, made by the spinning process, including labor, material, packing and transportation, would be \$5.50 per 100, the profits would show as follows:

| | |
|---|---------------------|
| Supposed sale of 2,000,000 records at 10¢, | \$200,000.00 ✓ |
| " " 34,000 phonographs, | <u>282,000.00</u> ✓ |
| | \$482,000.00 |
| Cost of records at London, | \$110,000.00 ✓ |
| " " phonographs | 243,000.00 ✓ |
| Selling expense (estimated), | 15,000.00 ✓ |
| Catalogues, etc. (no magazines or newspapers), | <u>30,000.00</u> ✓ |
| | <u>398,000.00</u> ✓ |
| Profit, | \$ 84,000.00. ✓ |

In the above statement the cost of the machines (\$243,000), includes profits of about \$15,800.00 made by the National Phonograph Co. in excess of the manufacturing profit made by the Edison Phonograph Works. If the machines were sold to the English Co. by the Edison Phonograph Works at cost (labor, material and general expense) with manufacturing profit added, this profit of \$16,000.00 now made by the National Phonograph Co. at Orange would be made by the British Co., raising the profit to about \$100,000.00,

On the above basis, for each 1,000,000 records sold by the

(11)

British Co. there would be a profit of \$45,000.00, and a corresponding reduction for less records. In other words, if 1,000,000 records were sold, the estimated profit would be \$39,000.00, assuming the same number of machines to be sold. If it is assumed that the records are made by the dipping process, the cost on 2,000,000 would be increased \$42,000.00, reducing the estimated profit to \$42,000.00. Of course, there is no way of telling or even guessing at the number of records which would be sold. Any business that might be lost by reason of delays in filling orders from Orange and by loss of prestige in giving up the foreign plants might very readily be recovered and surpassed by reason of the reduction in price of the records to the factors to 10¢, as against 12¢ at present. If instead of selling to jobbers at 10¢ the price was made 11¢ the estimated profit on 2,000,000 records and 34,000 machines would be \$104,000.00. If the present price of 12¢ were maintained the estimated profit would be \$124,000.00, not taking into consideration in either case the net profit of about \$16,000.00 made by the National Phonograph Co. over and above the manufacturing profit of the Edison Phonograph Works on machines. On the same basis as above, the showing for Berlin would not be so good, because the general business is smaller and the cost of records laid down in Berlin is higher on account of the duty.

On a basis of 1,000,000 records and 4,000 machines sold in 1907 figures would be as follows:

(12)

| | | |
|--|------------------|---------------------|
| Supposed sale of 1,000,000 records at 10¢, | | \$100,000.00 |
| " " 4,000 phonographs " \$10.20, | | 40,800.00 |
| | | <u>\$140,800.00</u> |
| Cost of records at Berlin, | \$59,000.00 | |
| " Phonographs " | 33,000.00 | |
| Selling expenses (estimated), | 15,000.00 | |
| Catalogues, etc., | <u>24,000.00</u> | |
| | | <u>131,000.00</u> |
| Profit, | | \$ 9,000.00. |

In the estimated cost of phonographs (\$33,000) is included profits of about \$3,000.00 realized by the National Phonograph Co. at Orange over and above the manufacturing profits of the Edison Phonograph Works and which might very properly be allowed the foreign business. This would increase the estimated profits to about \$12,000.00. For each additional 1,000,000 records sold there would be an additional profit of \$31,000.00. You will readily see from the above figures that even a very small falling off in sales at Berlin would involve losses. For instance, even if the sale of machines was maintained and the sale of records fell off to 750,000, the profit would be reduced to only about \$1250.00, so you will see that the Berlin situation presents a very close business question. Even if the records were sold to jobbers at 11¢, the profit would be only \$19,000.00, and if sold at 12¢ the profit would be \$29,000.00, assuming the same business to be done. If records are made by the dipping process, the added cost of production at Orange would involve a loss of \$12,000.00 on a basis of 1,000,000 records and 4,000 machines. With this process, even if the record sales increased to 2,000,000, there would still be a loss of \$2,000.00, and if increased to 3,000,000 there would only be a profit of \$8,000.00. The unsatisfactory condition in Germany from all points of view is no doubt due to the reduction in price from 1.50 Marks to 1 Mark. At the former price we were enabled to get a fair profit, and the figures show that in the year 1906 the profit made in Germany on records

and machines, exclusive of the profit made at Orange on the machines, was about \$32,000.00. It was expected that by reducing the price of records in Germany to 1 Mark the sales in Germany would be increased, but this hope was not realized, and as a result the year 1907 showed a slight loss. To sell records at 10¢ to factors at Berlin means an inconsiderable profit, when the bulk of the business is considered, and the ready possibility of a very considerable loss. Perhaps when the new Amberol record comes out the increased price which it will bring will make the dumping proposition for Germany more attractive than it is at present.

The foregoing covers substantially the European situation as I see it. It seems to be a business of limited proportions that has been conducted on a very narrow margin of profit, susceptible of wide fluctuations, and unless the business can be materially developed or the margin of profit can be materially increased, there does not seem to be very much in it, either as a dumping proposition or by direct manufacture.

The possibilities of the British market, notwithstanding the competition, seem to be greater than in Germany.

To continue the foreign plants may mean a larger profit, but it means greater risk. To conduct a dumping proposition in Great Britain offers enough margin to take care of a considerable falling off in the demand, but in Germany a relatively small falling off would quickly wipe out any possibility of a profit.

It seems to me that a serious mistake was made in reducing the price of our records to one shilling in England and one mark in Germany. This reduction involved not only a direct loss by rebates, but a very serious loss in profits without a material increase in sales. If the price had been kept at the old

(14)

figures, substantial profits, instead of losses, could undoubtedly have been counted on.

Yours very truly,

Frank L. Rice

RECORDED.
JUL 17 1908
FRANK L. BY R.

Manuf

July 15, 1908.

The following proposed arrangement has been practically decided on for dismantling the Willesden, Berlin and Paris factories, with the view of having all records made at Orange.

PARIS PLANT: As soon as Mr. Graf returns to Europe, all manufacturing will be suspended at the Paris plant, and such moulds as they have there will be immediately shipped to Orange. While these moulds are enroute, or until Orange factory receives them and is in a position to furnish the French selections, the supply will be made at the Willesden plant, where they have a duplicate set of French moulds. Then after we are in a position and have commenced supplying the French records from Orange, the French moulds remaining at the Willesden plant will be transferred to Orange.

The machinery and tools at the Paris plant will be sold to the best possible advantage, as it has been decided by Mr. Weber that they are not of sufficient value to warrant their being returned to Orange.

WILLESDEN PLANT: Immediately Mr. Graf returns, he will have shipped to Orange moulds of such British selections as are the slowest sellers and of which they have a sufficient stock to carry them along until the records can be furnished from Orange. The shipment of these moulds may consist of one or several consignments. Following this he will immediately manufacture a stock of the remaining British selections, and as soon as he has accumulated a sufficient quantity to carry him along until records can be furnished from here, he will begin shipping a certain number of moulds of each selection, retaining a sufficient quantity to enable the Willesden plant to manufacture a few more records, provided they find they will be unable to secure the records from Orange in time to meet their requirements. After Orange has received the first consignments of different moulds and has shipped a stock of records therefrom to London, the balance of the moulds which were retained at Willesden will be shipped to Orange.

After having shipped all moulds to Orange, the machinery and tools of the Willesden plant will be sold at the best possible price. Before this, however, Mr. Graf will furnish Orange office with a list of machinery and tools, so that Mr. Weber can look it over and decide if he wants any of them returned here.

BERLIN PLANT: This plant will continue to operate as at present until such time as it has been shown that Orange can properly take care of the work heretofore done by the Willesden and Paris plants, after which it will be dismantled and the moulds and machinery and tools handled in the same manner as at the Willesden plant. The object is not starting to dismantle the Berlin plant immediately is to make it possible for the Orange factory to get in thorough working order under the new conditions, as well as to satisfactorily handle the work from each foreign plant without causing confusion or embarrassment.

Each consignment of moulds shipped to Orange from the foreign plants will be accompanied by a letter of advice, also a list showing the title numbers and names of selections, the number of moulds of each selection and the quantity of each selection, which, in Mr. Graf's opinion, we should carry in stock. When each consignment of moulds is received here, Mr. Graf is to be immediately notified and advised as to when we will be in a position to supply him with records from such moulds.

Everything so far referred to relates to current records, that is, those already listed and of which moulds have been made.

NEW MONTHLY RECORDS: Up to and including October supplement, records will be made and handled from the foreign plants as heretofore. Beginning with the November list, the records are to be furnished from Orange. The masters for the November list will be shipped to us from London, between August 10th and 15th, and when shipment is made we will be advised as to what it consists of, names and title numbers of the selections, together with all other information necessary for us to proceed with the moulds. Of these lists, 12 copies should be furnished, in order that everyone at the Orange plant interested in them may have one without their being reprinted here, thereby preventing the possibility of any mistakes occurring in the spelling of words, proper punctuation, &c. Together with list and advice of shipment, Mr. Graf is to furnish order for sample and stock records. Immediately the master records are received at Orange, Mr. Graf is to be notified and also advised as to the approximate date on which we can make shipment of both the sample records and the stock order. Following the November list, subsequent supplements will be handled in the same manner.

GENERAL INFORMATION: All records supplied from Orange for European use are to be packed in our regular American cartons, such cartons, however, must contain a top label with the title number, name of selection and name of talent imprinted thereon. The side labels of cartons containing German, French or British records, must be printed in German, French or British, from forms or samples submitted by Mr. Graf, either before he leaves Orange, or immediately he returns to London. Such American selections as are supplied for European trade will have the regular side label on carton, with a special slip pasted thereon similar to the ones now used on records furnished Australia, Mexico and South America. The top label containing the title number, name of selection and name of talent, must also be placed on the cover of the carton containing American selections.

C. H. Wilson.

P.S. Later on it was decided that all foreign selections should be supplied in the amberol boxes and the American selections in the regular American boxes.

Copies to Messrs. Edison; Weber; ~~Dyer~~ Aiken; Hird; Youmans;
Dolbeer; Stevens; W. Miller; McChesney; Westee; Buehler.

*Phon. - Manuf.**See Also
M.P. - Sales
July 30,
July 22, 1908. 1908*

Personal

Thomas Gra^t, Esq., Managing Director,
National Phonograph Co., Ltd.,
Willesden Junction, London.

Dear Sir:

I hope to advise you shortly of the billing price f.o.b. New York for phonographs, records, films and projecting machines, which information I have requested Mr. Buehler to furnish me.

When the new arrangement goes into effect, you are authorized to use your best judgment in offering to any factors who may agree to purchase records in excess of their purchases last year a rebate below 12 cents and of not to exceed one cent, making the minimum net cost to factors 11 cents. This concession is made upon the strength of your statement that similar concessions are made in other lines and that this is the common British and European practice. Of course, the maximum rebate of one cent will not be allowed unless necessary. The rebate in question will not be paid until the orders actually received exceed the orders for the past year, and not on each invoice.

In connection with the proposed change in the foreign business, I suggest that all of the present foreign books be closed on August 31, 1908, and that new books be opened September 1st. In these new books there should be a special account against which may be charged all expenses incurred in connection with the changing of the several plants to Orange. By having a special account of

7/22/06.

NATIONAL PHONOGRAPH COMPANY

Thomas Graf.

this kind it will be a simple matter to determine the exact position of the foreign business outside of the extraordinary expenses due to the contemplated changes.

Regarding the amounts to be spent for advertising, I will advise you thereon in the course of a few days.

Let me know immediately, as promised, the exact situation concerning the several foreign companies, and particularly what steps will have to be taken to center the entire control in Orange. I am anxious to have this matter settled without delay, as I anticipate difficulty in certain channels with which you are familiar.

Yours very truly,

ELD/IWW

Chairman Executive Committee.

July 22, 1908.

Thomas Graf, Esq., Managing Director,
National Phonograph Co., Ltd.,
Willesden Junction, London.

My dear Sir:

I hand you herewith a personal letter from Mr. Edison to Count Tolstoy, which I wish you would see is promptly delivered. My impression is that Count Tolstoy has a personal agent in London, and if so, you might deliver the letter to him, but if not, see that it goes direct and do what you think is necessary to obtain a favorable response.

I have instructed Mr. Miller to have one or two recording machines sent you capable of making the 200-thread records, so that by the time you hear from Count Tolstoy these machines will probably have been received by you.

Yours very truly,

ELD/IWW

Chairman Executive Committee.

Enc-

TELEPHONES 10 HARLESDEN
17

TELEGRAMS & CABLES RANDOLPH, LONDON.
CODES USED A.L.A.S.C. COMMERCIAL & USEFUL.



NATIONAL PHONOGRAPH CO. LTD.,
EDISON PHONOGRAPHS & RECORDS,
EDISON WORKS,
WILLESDEN JUNCTION.

FACTORIES
ORANGE, N.J., U.S.A.
LONDON,
BERLIN,
PARIS.

IN REPORTING ADDRESS THE COMPANY NOT THE
INDIVIDUAL AND REVERT TO THESE INITIALS

Th. G./Sch.

London, N.W. August 5th 1908

Frank L. Dyer, Esq.
Chairman Executive Committee,
National Phonograph Company,
Orange, N.J.

Dear Sir,

I have your favor of the 23rd ult. enclosing personal letter from Mr. Edison to Count Tolstoi, which I am forwarding from here to-day as soon as I have obtained Tolstoi's full address from his London publishers.

I have just read in a paper that Tolstoi will not spend his birthday in Russia, but is to take a cure in some health resort in Austria, and this would very much facilitate the taking of records, if he is inclined to make them during his stay in Austria.

Yours very truly,

Thomas G. Schenck
Managing Director

TELEPHONES 16 HARLESDEN.
17

TELEGRAMS & CABLES RANDENYI LONDON.
CODES USED: N.L.S.B.C. CONFIDENTIAL & U.S.B.C.

Phon. - Legal



THOMAS A. EDISON.

NATIONAL PHONOGRAPH CO. LTD.,
EDISON PHONOGRAPHS & RECORDS,
EDISON WORKS,
WILLESDEN JUNCTION.

FACTORIES
ORANGE, N.J., U.S.A.
LONDON.
BERLIN.
PARIS.

IN REPLYING ADDRESS THE COMPANY NOT THE
INDIVIDUAL AND MENTION THESE INITIALS

Th. G/Sch.

London, N.W.

August 7th 1908

Confidential

RECEIVED.
AUG 17 1908
FRANK L. DYER.

Frank L. Dyer, Esq.
Chairman Executive Committee
National Phonograph Company,
Orange, N.J.

Dear Sir,

I regret that I have not yet been able to write you at an earlier date with regard to the shareholders of our several companies, for the reason that I have been kept very busy by making arrangements for shipping the moulds from Paris and from here and a number of other arrangements necessary through the changes adopted at Orange. I went into the question of control of the companies with my solicitor and under the present conditions I would advise you just to write Mr. Marks that you wish to acquaint yourself with the details of our different organisations, asking him to furnish you with a complete up-to-date statement of the present shareholders in the British company, and, if I may suggest that, also advise him that it is Mr. Edison's wish to have the entire control of the business in Orange and for this purpose all the shares, with the exception of Mr. Gilmore's and the 900 shares of the National Phonograph Company at Orange, should be transferred

N. P. Co., Ltd.

Frank L. Dyer, Esq.

Aug. 7th 1908

-2-

to Mr. Edison, yourself, or the company at Orange, whichever may be the case, and with the further exception of such shares as the directors residing in Europe (Mr. Marks and myself) are obliged to hold by existing laws. I must add here that a year ago I signed a certificate kept at Mr. Marks' office transferring to me some shares, but to my regret I cannot tell just now whether it is one or two shares, at any rate you could in that letter point out that Mr. Graf's shares, if he should hold more than one, should also be transferred to Orange, the idea being that no more shares than absolutely necessary should be in hands outside of Orange. This would bring down the list of shareholders and the shares held by them to the following:

| | |
|-------------------------------------|-------------|
| G. Croydon Marks..... | 1 |
| Thomas Graf..... | 1 |
| National Phonograph Co. Orange..... | 900 |
| W. E. Gilmore..... | 793 |
| | <u>1695</u> |

| | |
|--|-------------|
| X. X. The party at Orange to whom the remaining shares should be transf. | <u>1305</u> |
| | 3000 |

I hear Mr. Marks is to leave for the States in September. If you write him as suggested above on receipt of that letter, your letter will reach him before his departure and consequently there need be no cause for delay in settling the matter either before or at the time when he sees you in Orange.

As no statutory regulations for the management of

N. P. Co., Ltd.

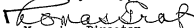
Frank L. Dyer, Esq.

August 7th-1908

the company were filed when originally registered, our company comes under table A (page 628) of F.Gore-Browne's Handy Book on Joint Stock Companies, of which I am sending you a copy under separate cover. As this book may reach you a few days or considerably later than this express letter I should advise you to write Mr.Marks at once, not waiting for the book, so that the letter reaches him without unnecessary delay.

All other changes and transfers which may be considered necessary either in the shares still included in the above list or in the list of directors could be arranged with Mr.Gilmore when he returns. The principal thing necessary to transfer the control to Orange would be the transfer of the 1100 shares held by Mr.Marks. What will further be necessary would depend on the reply to the letter which I suggested to you to write.

Yours very truly,


Managing Director

Mr. C. H. Wilson:

8/10/08.

Here is a letter from Mr. Riehl, explaining what he proposes to do in connection with discontinuing the foreign manufacture, and I have told him that the arrangement is satisfactory.

FLD/IWW

F. L. D.

Enc-

Walter F. Lee

[ENCLOSURE]



TRADE MARK
Thomas A. Edison.
PHONOGRAPHS
AND
RECORDS.

Record-Manuf.
EDISON WORKS.

Telephone and Cable: "GRAMO", LONDON."

Telephone: 47 HAREWOOD, 15

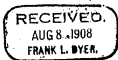
17

National Phonograph Co., Ltd.,

VICTORIA ROAD, WILLESDEN.

LONDON, N.W. 30th July 1908.

Mr. Frank J. Dyer,
Chairman Executive Committee,
National Phonograph Co.,
Orange N.Y.



Dear Sir:-

I am in receipt of your esteemed favor dated 22nd inst., advising of the decision to discontinue the manufacture of moulds and records at the London, Berlin, and Paris Plants. I note that you intend to continue making the Masters in Europe, whence they will be shipped to Orange, and records manufactured for all our European Sales Departments.

I have had a conversation with Mr. Graf relative to this matter, and we came to the conclusion to send you all the Paris Moulds first in four shipments, then the British Moulds will follow. We shall, however, keep a sufficient amount of moulds here to take care as far as possible of the orders we may receive during their transit. Upon receipt of same by you, we shall then ship the balance of all American Moulds, including the Original moulds of the Grand Opera, Hebrew, Flemish Selections, etc.

We shall forward a complete and detailed shipping list of all consignments of Moulds to Mr. Stevens, New York, requesting him to re-forward the moulds to Orange, and a copy thereof will be sent to Mr. C.H. Wilson, Assistant General Manager.

N. P. Co., Ltd.

Sheet No. 2.

Mr. F.L. Dyer.

As soon as the Inventories of the three factories are completed they will be sent to Mr. P. Weber, General Superintendent, for the purpose of deciding which articles appearing thereon will be advisable to send to America, and the balance will be sold at the best obtainable prices.

Yours very truly,
NATIONAL PHONOGRAPH CO. LTD.,


Superintendent.

P.S. If these arrangements do not meet with your approval, please advise by return mail.

file

Aug. 20, 1908.

G. Croydon Marks, Esq.,
18 Southampton Buildings, Chancery Lane,
London, W. C., England.

My dear Mr. Marks:

On the subject of the various foreign companies there are a number of points on which I have attempted to secure information here but without success, and as you expect to come to this country next month I hasten to write you in order that we can take up the points when we meet.

NATIONAL PHONOGRAPH CO., LTD.

Concerning this company, I wish you and Mr. Graf would hold a Directors' meeting and elect me a Director in place of Mr. Gilmore. He is the owner on the books of the company of 793 shares of £1 each, but, as you know, these shares have been transferred in blank. Please arrange to issue a new certificate to me for this number of shares, which you can bring over when you come, together with a blank transfer, and I can then sign the latter and complete the transaction. If necessary, you can then take back with you the certificate and transfer from Mr. Gilmore.

Our records here show that on September 20, 1906, you obtained Certificate No. 12 for £1,000, which certificate was to be cancelled and 900 shares issued to the National Phonograph Co. and 100 shares to J. R. Schermerhorn. I understand that this was done, but cannot find the new certificates to the National Co. and to Mr. Schermerhorn. If you have these certificates I wish you would bring them over. Did Mr. Schermerhorn assign his shares by a blank transfer? On the same date you also receipted for Certificate No. 11 for 100 shares, which was apparently in the name of James H. White but had been assigned by a blank transfer. Is Mr. White still a stockholder? If so I wish you would arrange to have these shares transferred also to the National Phonograph Co., Orange, so that we will stand as the owner of 1000 shares.

Mr. Graf advises me that on June 30, 1908, the capital stock of the British company was increased by £45,000. I was under the impression that this matter was being held in abeyance on account of the expense involved in effecting the increase in capitalization. I assume that there was some emergency requiring the increase, but I wish you would explain the matter in order that I may be fully advised. It would seem to me that since we proposed giving up manufacturing operations in Great Britain there would be no special

2. 8/20/08.

G. Croydon Marks.

NATIONAL PHONOGRAPH COMPANY

necessity for increasing the capitalization beyond the original amount.

COMPAGNIE FRANCAISE DU PHONOGRAPHE EDISON

Our records concerning this company are very chaotic. Originally you subscribed to 17 shares, White to 125 shares, Kaltenecker to 8 shares and D. H. Brandon to 20 shares. Brandon's holdings appear to have been reduced to 18 shares and the holdings of yourself, Mr. White and Mr. Kaltenecker appear to be divided up in the proportion of 146 shares to you, 2 shares to Galloway, 2 shares to Mr. Graf and 2 shares to Mr. Gilmore. If my understanding of the situation is correct, I would like, if possible, to have you reduce your holdings to 20 shares and issue a new certificate to me for 126 shares, which you can bring over with you, together with a blank transfer and I can then sign the latter here. I make this suggestion in view of Mr. Edison's instructions to me to bring the control of the foreign companies as much as possible in Orange, in view of the fact that we now contemplate making them merely selling companies. I would like also, if possible, to have my name substituted for Mr. Gilmore's as a Director of the French company, but this may not be possible, since Mr. Gilmore has not, apparently, transferred his stock. Possibly I might be made an additional Director.

EDISON GESSELLSCHAFT

Concerning this company, I understand that the National Phonograph Co. Orange, is the owner of shares to the value of 394,000 marks, Mr. Edison 20,000 marks and you 4,000 marks, but we have no certificates here to evidence this fact. I am informed that German companies do not issue certificates, so that I presume this situation is all right, but I would like to have your views.

When you get over we can have a general talk concerning these matters in order to adjust the corporate affairs to the new conditions.

Yours very truly,

FLD/IWW

President.

*Phon. Mandy**Jule 26**ppm**Handwritten signature/initials*

Aug. 26, 1908.

Thomas Graf, Esq., Managing Director,
National Phonograph Co., Ltd.,
Willesden Junction, London.

Dear Sir:

Your several cablegrams of the 24th, 25th and 26th instants, in reference to combination machines and Amberol records, were duly received. The manufacture of these machines and records has not progressed as rapidly as we anticipated, while the orders which have been so far received and those which we may reasonably anticipate indicate that the immediate demand for this new type apparatus will be very considerable. Having set October 1st as the day on which the new goods go on sale, this necessitates our making shipments very soon, and in fact, we are actually over the time that shipments of the Amberol records should have gone forward to the Pacific Coast. We expect to have our hands full in handling the situation that is presented here, and it is simply out of the question to consider Europe at this time. Furthermore, it is difficult to anticipate what the effect the new machine will have on orders for machines of the present type. We may find ourselves shortly unduly stocked with the present machines, and if this is so it would be better to have the European market in its present condition so that there would be a chance of these machines being disposed of. To announce the new machines and records in Europe would practically close the door to the sale of the present machines.

2. 8/26/08.

NATIONAL PHONOGRAPH COMPANY

Thomas Graf.

I have thought that should we have on hand a considerable number of the present machines they might be equipped with the 200-thread attachment and sold as combination machines. As so modified they would not be exactly like the new modèl "D" combination machine, but they still would be perfectly satisfactory for the two kinds of records. To furnish Europe with any considerable number of modèl "D" combination machines would make it difficult to dispose of the present combination "B" machines with modèl "D" attachments. In view of this situation I have cabled you to-day as follows:

"Replying cablegrams 24th, 25th and 26th, cannot send combination machines or Amberol records. Do not announce as suggested. We expect difficulties in meeting American demand and cannot supply Europe. Expect to have considerable stock of present machines which we hope to dispose of in Europe. Combination machines and Amberol records cannot be expected for Europe before first of next year and probably later. Have written."

Yours very truly,

FLD/IWW

President.

TELEPHONES 10 HARLESDEN

TELEGRAMS & CABLES RANDOLPH, LONDON.
CODES USED A.I.A.R.C. COMMERCIAL & LIÈGE'S.



THOMAS A. EDISON

NATIONAL PHONOGRAPH CO. LTD.,
EDISON PHONOGRAPHS & RECORDS,
EDISON WORKS,
WILLESDEN JUNCTION.

Phon.-Mansf.

FACTORIES
ORANGE, N.J., U.S.A.
LONDON,
BERLIN,
PARIS.

IN REPLYING ADDRESS THE COMPANY AND THE
INDIVIDUAL AND MENTION THESE INITIALS.

Th. G. Sch.

London, N.W. August 27th 1908

*24
London*

Frank L. Dyer, Esq. President,
National Phonograph Company,
Orange, N.J.



Dear Mr. Dyer,

I sent you the following cablegram:-

"DYER FREGIAVANO MY ANNOUNCING PERRESTAART AS DATE OF INTRO-
"DUCTION OF COMBINATION MACHINES AND AMBEROL HERE AGAINST YOUR
"PROMISE AND SUPPLY SAME TO SUCH FACTORS AND DEALERS ONLY
"WHO SIGN AGREEMENT TO HANDLE NO OTHER CYLINDER LINE THUS
"LEAVING CONDITIONS RELATIVE TO OUR REGULAR MACHINES AND RECORDS
"UNCHANGED SUGGEST THESE PRICES COMBINATION STANDARD PYNOSONUM
"ROME MUHALLAB TRIUMPH MUHURTA PROXIMO ATTACHEMENTS STANDARD
"MUGRIKETO OTHERS FRUSTRING AMBEROL PROPTAVIT DEALER PROMAGEM
"FACTOR PROFITICHEN HIPPOBONES".

which translates:-

"Is there any objection to my announcing October 15th as date
"of introduction of combination machines and Amberol here against
"your October 1st, and supply same to such factors and dealers
"only who sign agreement to handle no other cylinder line, thus
"leaving conditions relative to our regular machines and records
"unchanged. Suggest these prices:- Standard- £5.15.0;

N. P. Co., Ltd.

August 27th 1908

Mr.F.L.Dyer, Orange.

-2-

" Home- £8.0.0; Triumph £12.12.0; Attachments Standard- £1-;
" others £1.10; Amberol- 2/-; dealer 1/2; factor -/9d, reply
" by telegram".

On receipt of your cable I shall immediately place
by cable a small advance order for outfits and Amberol records
to be installed with our factors, and this advance order will be
followed by a regular stock order.

Yours ~~very~~ truly,

Tommaso
MANAGING DIRECTOR

TELEPHONES 40 HARLESDEN.

TELEGRAMS & CABLES HANCOCKLY, LONDON.
CODES USED A.L.A.B.C. COMMERCIAL & LIBERTY.



THOMAS A. EDISON.

NATIONAL PHONOGRAPH CO. LTD.,
EDISON PHONOGRAPHS & RECORDS,
EDISON WORKS,
WILLESDEN JUNCTION.

FACTORIES
ORANGE, N.J. U.S.A.
LONDON.
BERLIN.
PARIS.

Phon. - Muz.

IN REPLYING ADDRESS THE COMPANY NOT THE
INDIVIDUAL AND MENTION THESE INITIALS

Th. G. Sch.

London, N.W.

August 29th 1908

Webster

Frank L. Dyer, Esq. President,
National Phonograph Company,
Orange, N.J.

✓

Dear Sir,

*Mason
copy*

I received your cablegram of the 26th instant reading;
"PHILYDRES 25 26 IMBURMENT COMBINATION MACHINES AMBEROL RECORDS
"BIODORE INSIBELAS CORCULORUM MEETING AMERICAN DEMAND AND INTEC-
"TURIS EUROPE DISGRADO INGHALLA PRESENT MACHINES WHICH WE HOPE
"CROSTAMMO IN EUROPE COMBINATION MACHINES AMBEROL RECORDS DIS-
"INTER EUROPE KOOKTEN AND PROBABLY LATER KONKELHUIS"

which I translate:-

"Refer to your telegram of 24th cannot send combination machines
"Amberol records; do not announce as you suggest, will have some
"difficulty meeting American demand and cannot supply Europe
"expect to have a good stock of present machines which we hope
"can be disposed of in Europe, combination machines Amberol.
"records cannot be expected Europe about the beginning of next
"year and probably later, have written."

This is very serious indeed, and I just send you this
letter, so that you receive acknowledgment in due course, but

N. P. Co., Ltd.

August 29th 1908

Mr. Dyer, Orange.

-2-

I shall write you more fully and possibly cable you within the next few days on the subject of your cablegram.

Yours very truly,

W. Masraf
MANAGING DIRECTOR

L. Croydon Marks
INCORPORATED
Consulting Engineer & Patent Expert.

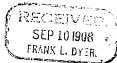
TELEGRAPHIC ADDRESS: RECONSTRUCTION, LONDON.

TELEPHONE NOS { LONDON 828, HOLBORN.
BIRMINGHAM, 665.
MANCHESTER, 4272.

13, TEMPLE STREET, BIRMINGHAM.
30, CROSS STREET, MANCHESTER.

18. Southampton Buildings,
Chancery Lane.
London, September 2nd, 1908.
W.C.

Walter
F. L. Dyer Esq.,
Edison Laboratory,
Orange, N.J., U.S.A.



Dear Mr. Dyer,

I have yours of August 20th, and had intended bringing all details and papers concerning the various companies with me, but am glad you are considering them in advance of my arrival as all can then the better be gone into after mature thought.

M.P.Co.Ltd. I will arrange for you to be elected a Director this week at the Annual Shareholder's Meeting called for to-morrow and as Mr. Gilmore will retire by rotation and not offer himself for re-election you will be proposed by one of the shareholders for election as Director in his place. You have Mr. Gilmore's transfer at Orange which we will pass, you and I, when we meet as a Board Meeting at Orange.

Mr. Soehmerhorn's share was duly transferred, also Mr. White's, and neither now hold any shares in our companies in Europe.

The Capital of the Company was bound to be increased this year as we had given an undertaking to the Government Income Tax authorities that we should do so, and further our Lease of the

G.C.M.

F. L. Dyer Esq.

Page 2

Works at Willesden called for it as the owners said we were not a good enough Company with so small a Capital, viz:- £2,000 paid up. Then, too, there was standing in our books a debt of £47,000 to the N.P.Co. Orange, as to £45,000 of which we agreed last year should be discharged by the allotment of new shares to that amount. There was further a new Act commencing on July 1st, 1908, which required full Balance Sheets of public companies to be published unless such companies were what was then for the first time created - "Private Companies" -. It was necessary for "Extraordinary meetings" to be held to make our articles fit in with the "Private" Company regulations, and then I made one series of formal meetings cover the entire changes, i.e. increase of Capital and alteration of articles for conversion into a Private Company. A Private Company may be converted into a Public Company at any time by like "extraordinary meetings". A "Private" Company is defined under the Act as one that does not offer its shares to the Public and whose shareholders do not exceed fifty.

I will bring along all papers relative to this; also the papers and particulars re French and German Companies.

Yours faithfully,

G. Crofton Marks

Tolstoy

Sept. 5, 1906.

Thomas Graf, Esq., Managing Director,
National Phonograph Co., Ltd.,
Willesden Junction, London.

My dear Sir:

Count Tolstoy's secretary has written Mr. Edison a letter, of which I attach copy, and from which you will see that the Count is willing to oblige us in the way of making records. I therefore cabled you yesterday as follows:

"Tolstoy consents making four-minute records. Go after him. Get one or more, preferably six, on suitable subjects. Hayes has complete Amberol recording outfit."

My idea is that you should leave the selection of the records largely to his own taste, getting as many as six, if possible, in order that we can certainly have enough to list if we think they will be successful. Some of the records, at least, should be in English, and possibly one or two in French. The important thing is to get the records as soon as possible, because Count Tolstoy is an old man and in more or less feeble health.

Yours very truly,

ELD/IWW
Enc-

President.

[ATTACHMENT]

Aug 17th 1908

Leo Tolstoy Address: V. Tchertkoff
Yassenski

Toula Government
Russia

Dictated by *Leo Tolstoy*
Dear Sir

SEP 13 - 1908

In answer to your letter of ~~the~~ July 22
Leo Tolstoy has requested me to say that he
certainly would not feel himself justified in
declining to fulfill your request, and that
therefore he will be ready to dictate the
records whenever your assistants will find
it convenient to visit him, provided of course
that he is sufficiently well at the time.

Should any preliminary correspondence
with your assistants be necessary, (for instance
to avoid your assistants coming at a time when
Leo Tolstoy will be unwell) it should be addressed
to Leo Tolstoy himself who will transfer it to me

[ATTACHMENT]

to be attended to.

Yours respectfully

V. Tchirchoff

To Thomas A. Edison

New York
U.S.A.

L.H.

Phon. - Manuf.

Sept. 16, 1906.

Thomas Graf, Esq., Managing Director,
National Phonograph Co., Ltd.,
London, England.

Dear Mr. Graf:

What in your opinion would be the effect on our British trade if we issued an ultimatum to dealers that they must handle Edison goods exclusively in the cylinder line, as we have done in this country? Would the effect be beneficial or harmful? Furthermore, under the British law, would it be legal? Let me have your views in full.

The arrangement seems to be going all right here and I think it will be a success. Of course, we have a few kicks from people who have loaded up with other cylinder goods, but the large majority of dealers seem to be glad of the opportunity of limiting themselves to the Edison line. Most of them who have taken on other lines have done so because their competitors have forced them to.

Yours very truly,

YLD/iww

President.

N. P. Co., Ltd.

September 21st 1908

Mr. Dyer:-

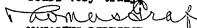
-2-

consequence the information about the new machines and records has reached all our factors and a good many dealers. The inquiries which I received from the trade have satisfied me that they do not know wherein the improvement consists and in what way the sale of the present type machine and records will be influenced by these novelties. The trade considers conditions as very unsettled and will not order as they would otherwise for fear of having unsaleable goods left on their hands. Under these conditions we cannot withhold from them the new article unless we are prepared to see the business suffer, and after careful consideration I felt obliged to sent you the above cablegram. I am pleased to have received the following reply: "PHOBEGEMIA ANNOUNCE BOGISLAW AND AMBEROL RECORDS PERPOVEBO "KXODORATOS HAARZUCHT EXCEPT INCIVISME BY PERENTAART AMBEROL", which I translate:-

"In reply to your telegram of the 12th announce attachment and "Amberol records November 15th, advise us by letter what "quantity will you require, will be able to ship by October "15th Amberol".

I shall be able to send you the order asked for within a few days, as soon as I have determined the manner in which I shall proceed.

Yours very truly,


MANAGING DIRECTOR

Mr. Edison:

9/29/08.

Some time ago you brought up the question as to whether it was necessary to carry such a large stock in Australia, and I beg to hand you herewith a report from Mr. Stevens on this point, which kindly return when you have read it.

FLD/IWW

F. L. D.

Thomas Davis Drummond & Co
Audit books every six months

Enc-

But please do not we still arrange three
of grand & three men to come Australian
Public accountants to audit &
take stock 2 or 3 times yearly
2

[ENCLOSURE]

CABLE ADDRESS: "ZYMOTIC, NEW YORK"
A. J. & S. COMMERCIAL, LONDON, BRISTOL AND WESTERN UNION CODES USED.

TELEPHONE:
1358 STUYVESANT.

TRADE
Thomas A. Edison.
MARK.

FOREIGN DEPARTMENT
OF THE
NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.

10 FIFTH AVENUE.
NEW YORK, N.Y.

PHOTO - Sales
FACTORIES:
ORANGE, N. J. U.S.A.

EDISON PHONOGRAPHS
AND RECORDS.
EDISON PROJECTOR KINETOSCOPES
AND ORIGINAL FILMS.
EDISON PRIMARY BATTERIES
AND FAN MOTOR OUTFITS.
BATES NUMBERING MACHINES.

LONDON, PARIS, BERLIN,
BRUSSELS, SYDNEY,
MEXICO CITY,
BUENOS AIRES.

Sept. 23rd, 1906.

Mr. Frank L. Eyer, President,
National Phonograph Co.,
Orange, N. J.

Dear Sir:-

You recently asked me for particulars covering the credit advanced to our Australian office, and I enclose herewith an extract from the Auditor's Report dated June 30th of this year.

By referring thereto, you will note that their stock on hand represented \$218,359.84, and inasmuch as their sales for the six months of 1906 represented \$216,136.00, you will note that they practically turn over their stock every six months.

Now, when you consider that it takes from three to four months for a shipment to reach Australia, it only means that they are carrying a stock a little over two months in reserve.

It is absolutely necessary for them to carry a reserve stock, as there is always the danger of shipwreck and other casualties, which would cause a considerable delay in duplicating the order for them. We had one experience of this kind in 1906, when the steamer "Oakburn" went down off the coast of Africa. The entire cargo of this steamer was destroyed.

ADDRESS ALL COMMUNICATIONS TO THE FOREIGN DEPARTMENT.

[ENCLOSURE]

NATIONAL PHONOGRAPH COMPANY
FOREIGN DEPARTMENT

F.I.D.,

-2-

The other items on the statement, I believe, will explain themselves, and I am sure that you will agree with me that the credit extended to our Sydney office is not out of proportion to their requirements.

Trusting this statement will give you the information you desire, I remain,

Yours very truly,

Walter Storms
Manager Foreign Department.

Enclosure.

W. S.

C.

[ENCLOSURE]

Statement comparing Assets of Sydney Office
with debit balances on New York books Journal 30/08

| | | |
|----------|--------------------------------------|----------|
| | Accounts & Bills Receivable | 32755.56 |
| | Stock on hand | 21535.82 |
| | Bank balances & Petty Cash | 12111.73 |
| | Furniture & Fixtures | 2367.13 |
| | Prepaid Insurance | 573.78 |
| | Deposit with Gas Company | 77.2 |
| | Accrued Interest on New York | |
| | Island Duty and Refinement | |
| | Claims | 1699.82 |
| | Remittances on route | 2898.00 |
| | Shipments en route | 9382.40 |
| 37624.93 | Debit on New York books Jan 30/08 | |
| 5476.24 | Debit on New York Office P. L. | |
| 43181.17 | | 43181.17 |

Files at Sydney for
first six months of 1908
21136.00

TELEPHONE 15 HARLESDEN.

Phon. - Mans.
TELEGRAMS & CABLES RANDOLPH LONDON.
CODES USED A.A.B.C. COMMERCIAL & LIBERTY.



NATIONAL PHONOGRAPH CO. LTD.,
EDISON PHONOGRAPHS & RECORDS,
EDISON WORKS,
WILLESDEN JUNCTION.

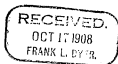
FACTORIES
ORANGE, N.J. U.S.A.
LONDON,
BRUXELLES,
PARIS.

IN REPLYING ADDRESS THE COMPANY NOT THE
INDIVIDUAL AND MENTION THESE INITIALS

Th. G/Sch.

London, N.W. October 7th 1908

Frank L. Dyer, Esq. President,
National Phonograph Company,
Orange, N. J.



Dear Sir,

I beg to confirm my cablegram of September 30th:-
"PIEGHEVOLE AMERICAN ULTIMATUM EXIBITURUS BUT RETUMBLING
"BECAUSE IT BURLONES PRESENT DEALERS AGREEMENT AND ENTITILE THEM
"TO SELL THEIR STOCK GOGUELIN UNTIL THEY HAVE SIGNED NEW AGREE-
"MENT I THEREFORE DEVISED SCHEME PHYLIQUE AUGUST BY WHICH WE
"CONTINUE SUPPLYING ORDINARY RECORDS BUT REFUSE AMBEROL AND
"ATTACHMENT UNLESS DEALER GIVES UP OTHER CYLINDERS AND SIGNS
"SPECIAL AGREEMENT DELTOTON CONSIDER LATTER SCHEME BENEFICIAL
"AND INTEND TO ANNOUNCE SAME BEGINNING OCTOBER CABLE DECISION",
which translates:-

"In reply to your letter of September 16th American ultimatum
"will be legal but it is not advisable, because it will cancel
"present dealers agreement and entitle them to sell their stock
"at any price until they have signed new agreement. I therefore
"devised scheme as per my cablegram of August 25th, by which we
"continue supplying ordinary records but refuse Amberol and
"attachments unless dealer gives up other cylinder and signs

N. P. Co., Ltd.

October 7th 1908

Mr. Dyer:-

-2-

"special agreement to this effect. Consider latter scheme
"beneficial and intend to announce same beginning October
"cable decision".

I have not confirmed the above before, I deferred
it for the reason, that what I would have to write you depended
very much on your reply, which I expected soon after my cable.
This reply has come to hand on Monday, and it reads:-

"PHONASCOS MY OPINION BRITISH SITUATION CORAGGIO FROM AMERICAN
"AS TO MAKE IT KAMSTRENEW TO CARALE EXCLUSIVE POLICY ENGLAND CY-
"CLOBORUS PAYANT AMERICAN CYLINDER BUSINESS AND BURGERMAN
"DICTATE TERMS DEALERS INGERMATO WITH US ENGLISH BUSINESS
"INERFICA AND DEALERS PROBABLY KNOOPSTERS US PULGURASES FADEST
"DEALERS GOMMAIS THEY EXHAUSTION ALONE WE BEZOARGEIT TO LOSE
"EVERY LEGITIMATE OUTLET BIBELOTS BEUDANTITE"

which translates:-

"In reply to your telegram of 30th my opinion British situation
"altogether different from American as to make it undesirable
to carry through exclusive policy England. We do 90% American
"cylinder business and we can dictate terms, dealers must stay
"with us, English business is too small and dealers probably can
"do without us. In our opinion as long as dealers maintain our
"prices they should be left alone, we cannot afford to lose
"every legitimate outlet, if you do not agree to advise by cable."

Upon this I wired you again:-

"SCHEME SUPPLYING REGULAR RECORDS AS HERETOFORE AMBEROL TO

N. P. Co., Ltd.

October 7th 1908

Mr. Dyer:-

-3-

"EXCLUSIVE DEALERS ONLY APPROVED BY LOYAL FACTORS FULGURASES
"DEALERS WILL FALL IN LINE ESPECIALLY IF WE MITIGATE TERMS BY
"JARGONING IMBUONISSI OUT ESQUISSE POLICY NOW WE PROBABLY CAN
"NEVER AGAIN AND CAROONS CHANCE AND TIME TO PREPARE IMITATION
"AMBEROL AND HANDSCHLAG HAVE ENTIRE NUMBER OF BRITISH DEALERS
AT IMMEDIATE DISPOSAL WHICH SHOULD BE PREVENTED ESTIMATE CYCLO-
"BORUS PARVIENT BRITISH CYLINDER TRADE COLUMBIA AND STERLING
"OUT BELL WEAK GLUTTONOUS KOOLPOEDER CONDITIONS PROBABLY VERY
"DIFFERENT AS YOU WILL FORCE COLUMBIAS NEW RECORD AND CELLULOID
"RECORD OVER HERE CABLE"

which translates:-

"Scheme supplying regular records as heretofore Amberol to
"exclusive dealers only approved by loyal factors. In our
"opinion dealers will fall in line especially if we mitigate
"terms by allowing sufficient time to sell out. If we do not
"introduce policy now we probably can never again, and competi-
"tors have chance and time to prepare imitation Amberol and as
"soon as ready have entire number of British dealers at
"immediate disposal, which should be prevented, estimate we do
"60% British cylinder trade, Columbia and Sterling out, Bell
"weak at present. Next year conditions probably very different,
"as you will force Columbias new record and celluloid record
"over here, cable".

The history of the matter is this:- When I received
the first circulars and literature relating to the Amberol and
attachment, also your notice to dealers with reference to

N. P. Co., Ltd.

October 7th 1908

Mr. Dyer:-

-4-

exclusive policy, I gave this your new policy considerable thought. I concluded that it would not be advisable to inaugurate the same policy in England, not so much because of our relative strength, but mainly because this policy would cancel our present agreement. We have a large number of undesirable dealers on our list, who do us harm by discouraging our good dealers. The question of eliminating them is important. Mr. Schermerhorn tackled the task, but he felt he could not go any further than just eliminating them from our mailing list, and so I am practically still confronted with the same problem. How to eliminate these undesirables, however, is a matter in itself, and I need not treat it here. These same people, who form a good percentage of our dealers, would probably welcome a temporary cancellation of our agreement, which would enable them to sell out at cut prices. This we must avoid. Then again, the general refusal to supply all and any Edison products unless a dealer agrees to handle no others, would be considered very arbitrary and would cause a great stir among our dealers, it would at least temporarily affect our sales very seriously. Although competition at the present moment is not formidable to any such extent as it was a little over a year ago, we cannot refuse to supply dealers with our present products over here. Considering conditions here as I know them, I concluded that we should introduce the new Amberol record and attachment under some restrictions. The majority of the dealers today do not

N. P. Co., Ltd.

October 7th 1908

Mr. Dyer:-

-5-

care to carry the different makes of cylinders on the market, which means to them carrying a stock of practically the same titles in Edison, Edison-Bell, Clarion etc., and no increased sales. The majority of dealers is disgusted with this condition, they find it unprofitable and are turning more and more to the disc trade. A scheme, however, like the one which I devised and cabled you, would be welcomed by the majority of dealers and eventually the entire trade would have to fall in line.

At that time I worked out the enclosed circular, which as an advance notice would correspond to your circular announcing that you refuse supplying our products etc. I talked the matter over with Mr. Marks, I went into every phase of it, and the terms of the circular had been discussed by him and me word for word. I meant to let you know my intention, but I shelved the whole matter when I received your telegram stating that I could not have the Amberol record and outfits until January and probably later. I took it up again when I heard I can have them early enough to supply them to the trade by November 15th, and as I expected that you would consider the scheme which I cabled you on August 25th, I expected to hear from you some time or other about it. When I saw that reply would not be coming in time, I intended to cable you, but on the same day your letter of September 16th, treating that very subject, came to hand, and so I could cable you as above.

From the conditions as I know them I saw no obstacles

N. P. Co., Ltd.

October 7th 1908

Mr. Dyer:-

-6-

on the way, and I must frankly say that I did not expect to receive that answer which you gave me in your cablegram of the 5th. Consequently I prepared everything and issued the advance circular, of which copy enclosed, to the trade. Of course, when I received your cablegram of the 5th I was very much disappointed, I could have telegraphed you that the circular had already been sent out, but as I did not want to put you before an accomplished fact but let you judge my move on its own merits I telegraphed you as stated above giving the reasons why we should do as I proposed. I should naturally be very pleased if your answer to the above cablegram, which has not yet come to hand, will be such that I can consider it an approval of what I have done already. I should very much regret if it does not, but I cannot change things any more, and I will only say that the scheme has so far worked exactly as I anticipated. The factors with whom I had a talk more or less approved of it, their opinion, of course, is influenced by the amount of stock of other makes they have on hand. The dealers seem to be quite enthusiastic about it. This morning's mail for instance brought the enclosed letters, and you will note there is only one letter objecting.

As the scheme announced by me is not arbitrary, I do not fear any difficulty and I expect to reap considerable benefits from it. In the first place I expect it will leave to our competitors only a small number of dealers to deal with, not enough to make it worth while to continue manufacturing. The

N. P. Co., Ltd.

October 7th 1908

Mr. Dyer:-

-7-

Edison-Bell Company are doing a very reduced business this season, there are rumours that they intend giving up cylinder records and will confine themselves to the manufacture of two types discs, of horizontal and vertical cut. The Sterling Company is out altogether, their stock of about 700,000 records is being sold at any price. The Columbia have not been selling cylinder records for nearly a year, but they have just come out with a preliminary announcement to the trade that they will shortly place on the market a new cylinder of great wearing quality, $4\frac{1}{2}$ inches long etc. The company doing a large cylinder trade at present outside of our trade is the Clarion. The dealers, however, are very much dissatisfied with their record; it is sold retail at 9d. If they have nevertheless handled this record, they do because they are compelled. As there are no restrictions on our products any dealer can take up Clarion records, and those who did not a few months ago were obliged by their next door competitor to do so now. There is not a dealer of any importance in the Kingdom who cannot do without Edison-Bell and Clarion, but I do not think there is a dealer who can do and will do without Edison records.

You see that my scheme will not reduce our present cylinder business. It is not considered so arbitrary that it would make dealers give up our products for any other reason than obstinacy. The letters which I enclose, and which please return to me, show you exactly in what spirit the scheme is received.

N. P. Co., Ltd.

October 7th 1908

Mr. Dyer:-

-8-

I may also add that I consider the present time just suitable for the announcement and it is most unlikely that we shall have another such opportunity for years to come. We had one such opportunity many years ago at the time when Mr. White issued that dangerous circular. My factors tell me, that if White at that time instead of advertising the Sterling record against the Edison-Bell and issuing that circular which did us no good in the trade and cost us a lot of money, and worry, had approached them and the dealers with a proposition which put them before the alternative to choose between the Edison-Bell, Sterling on the one hand and the Edison product on the other, such a scheme would have met with success then. Later it would have become dangerous. Last year it would have been altogether impossible, because of the dissatisfaction caused through the reduction in price of our records. Since then we have gained the good will of the trade, and from the enclosed letters so far received I hope you will infer that the scheme will turn out a complete success.

I am expecting to get your view on the prices which I suggested for the Amberol record in my letter of September 26th, and as soon as I hear from you I can have the printed matters, which are so far prepared, mailed to the trade. I am only waiting to hear from you about the prices, in order to insert them in these printed matters and Addenda to agreement.

Yours very truly,
W. M. Dyer
MANAGING DIRECTOR

Enclosures.

TELEPHONE 17 H. HARLESDEN.

Phon. - Manuf.
TELEGRAMS & CABLES HARGREAVES, LONDON.
CODES USED A.J.A.B.C. COMMERCIAL & LIBRARY.



THOMAS A. EDISON.
Thomas A. Edison.

NATIONAL PHONOGRAPH CO. LTD.,

EDISON PHONOGRAPHS & RECORDS.

EDISON WORKS,

WILLESDEN JUNCTION.

FACTORIES
BRANDE, N.J., U.S.A.
LONDON.
BERLIN.
PARIS.

IN REPLYING ADDRESS TO COMPANY NOT THE
INDIVIDUAL AND RETURN THESE INITIALS

mt

W. H. London. KW

October 19th, 1908.

TRADE INFORMATION FOR EDISON DEALERS.

November 1908, will mark the beginning of a new era in the history of the Edison Phonograph. During that month we will put into effect a number of changes and improvements in Edison Phonographs and Records that will mean as much to the future of your business and ours as did the introduction of the Gold Moulded Record and the Model C Reproducer of 1902. The tremendous increase in the sale of Edison goods since that time is known to you all. The improvements then introduced have, we firmly believe, caused the sale of more Edison Phonographs and Records than the combined sale of all other makes of talking machines. Therefore, these changes and improvements to be placed before the public will start with the prestige gained by six years of unexampled success. When to this success is added new conditions even more important than those that have gone before, we confidently believe that you will fully agree with our optimistic views regarding the future of the trade in Edison goods. The new features will consist of the following:—

1. A new Record made of a new composition by a new process and playing an average of over four minutes, or about twice as long as our present Record.
2. A series of attachments by which at slight cost all present Phonographs except the Gem may be equipped to play the longer Record in addition to the present one.

1. THE NEW RECORD.

This will be known as the Edison Amberol Record. Its most important feature is a recording thread of 200 lines to the inch, or twice as fine as the present record of 100 threads. By this means twice the playing length is secured without increasing the length or diameter of the Record itself.

Since the finer thread required a smaller reproducing point it became necessary to find a new composition that would successfully resist the wear of the reproducer. The successful and accurate moulding of a 200 thread record formed of a much tougher composition, also necessitated changes and refinements in our moulding process.

More than two years were spent in experimenting to secure these results, the work of several experts being constantly directed and supervised by Mr. Edison.

The Edison Amberol Record is the most wonderful production of its kind that the world has seen. The engraved sound waves are so minute that the eye cannot follow them, and yet the sounds are reproduced even more clearly, more naturally, and more sweetly than by the present Record.

The new conditions will make no change whatever with the present type of the two-minute Record, which will be continued, and as great efforts made to improve it as heretofore.

2. THE ATTACHMENTS.

With a Record of finer thread came the problem of devising a plan by which the Record could be marketed without compelling present owners of Phonographs to buy new machines. This was solved by the construction of attachments embodying the principle of the differential gear and including a new Reproducer with a smaller reproducing point. Attachments have been made for all Edison Phonographs except the Gem. These attachments will be sold as separate parts only. There will be no change in the style, equipment or prices of the Edison Phonographs.

PRICES, DISCOUNTS, ETC.

COMBINATION TYPE ATTACHMENTS COMPLETE.

| | Dealers' | | | List | <i>Notes</i> | | |
|------------------|----------|----|----|------|--------------|---|--------------|
| | £ | s. | d. | | | £ | s. |
| Standard | 0 | 16 | 0 | 1 | 1 | 0 | |
| Home | 1 | 6 | 0 | 1 | 11 | 0 | <i>red.</i> |
| Triumph | 1 | 6 | 0 | 1 | 11 | 0 | <i>other</i> |
| Idelia | 1 | 6 | 0 | 1 | 11 | 0 | <i>type</i> |
| Balmoral | 1 | 6 | 0 | 1 | 11 | 0 | |
| Conqueror | 1 | 6 | 0 | 1 | 11 | 0 | |
| Alva | 1 | 6 | 0 | 1 | 11 | 0 | <i>red.</i> |

EDISON AMBEROL RECORDS.

Dealers', 1/- each. List, 1/6 each.

N. P. Co., Ltd.

(3)

WE WOULD ESPECIALLY POINT OUT THE LARGE PROFITS OFFERED TO THE TRADE BY THE PRICES OF THE NEW AMBEROL RECORD. The profits on attachments are less than those on machines. In order to keep down the retail price of the attachments and make it easy for owners to change over their machines, we are sacrificing most of our usual profit and are asking the trade to also make some sacrifice to the same end.

HOW THE CHANGES WILL BE MADE.

Salesmen will leave our factory early in November and call as rapidly as possible on all Factors. They will carry sample Records and fully instruct Factors concerning the new attachments, etc. They will equip a Standard and a Home Phonograph in each Factors' stock so that Factors in turn may be able to fully instruct their Dealers on the subject. It is hoped in this way to get the entire trade fully informed by November 15th. Full instructions for putting attachments on all present Phonographs will be included with each attachment.

HOW TO ORDER.

The first list of Amberol Records will comprise 50 selections. An advance copy is enclosed. This list has been made up of such a variety of selections as will make the widest appeal. It will be impossible to supply samples of these Records. We must ask Dealers to place advance orders as early as possible for such quantities as they may require. There will doubtless be a large and immediate sale for these Records, for we feel assured that hundreds of thousands of Phonograph owners will change their machines to play the new Record just as rapidly as they can have the work done.

Dealers are also urged to place orders for a quantity of the various attachments. In fact, they should give every phase of the new conditions the most careful consideration, and anticipate their requirements so far as possible. We shall work our factory day and night for an indefinite time but we doubt if we shall be able to meet the demand for the Amberol Records and the Attachments. We feel confident that the sale will be enormous.

N. P. Co., Ltd.

(4)

Additional lists of Amberol Records will be issued later, and they will be handled in the same manner as the present Record as soon as conditions make it possible.

NOVEMBER 15th THE SELLING DATE.

Under no circumstances will Dealers be permitted to offer for sale at retail, any Amberol Records or Attachments before November 15th, even though they may be received prior to that date.

IN CONCLUSION.

Much more might be said about the new conditions and the great impetus that will be given the trade, but enough has been stated to arouse all concerned to the fullest enthusiasm. As good as the improvements are they cannot exploit themselves. They must have the most cordial co-operation of all Dealers and this, we believe, we shall have from every true Edison man.

NATIONAL PHONOGRAPH COMPANY, LTD.

IMPORTANT NOTICE.

We would particularly call your attention to the fact that the sale of Amberol Records and Attachments will be governed by a new Agreement, which you will receive in due course for signature, together with a list of Factors from whom the new products may be obtained.

24

Phon. - Manuf.

See Also Phon. - Sales

Oct. 21, 1908.

Thomas Graf, Esq., Managing Director,
National Phonograph Co., Ltd.,
Willersden Junction, London.

My dear Sir:

Your favors of the 7th and 9th insts. have been received, on the subject of Amberol records and attachments in general and your proposed restriction scheme in particular, and I have read with interest the letters from factors and dealers, substantially all of whom, I note, are favorable to the plan.

Conditions here are most unsatisfactory and we are having the greatest difficulty in taking care of our American orders. These orders are simply enormous, everyone apparently believing that the new record and machines will result in a general boom in the business. The manufacture of machines, however, has been held back because of the difficulty in turning out sapphires fast enough, and the capacity of the record-making machines is less than we anticipated. I realize that you must be taken care of, however, and in accordance with our arrangement by cable we will ship you by Saturday's steamer 4,000 Standard and 1,000 Home attachments, 200 of which will include sapphires. I think you will have no difficulty in having sapphires made for these attachments since, as I cabled you, Fred Lee of Coventry has, already made some of these sapphires for us and can no doubt do a satisfactory job. The shipment sent you will not fully take

2. 10/21/08.

NATIONAL PHONOGRAPH COMPANY

Thomas Graf.

care of your order, but your English factors will on the whole be better situated than the American jobbers. You will, of course, recognize the situation in this country and will use your best judgment in effecting a fair distribution of the attachments and records. You may rest assured that everything will be done to see that you are properly taken care of and shipments will be made from time to time as rapidly as possible.

Yours very truly,

FLD/TWW

President.

Mr. Edison:

10/29/08.

I hand you herewith a letter from Mr. Graf, from which it appears that the Supreme Court in Germany has decided against us in our suits against the Columbia Co. and Pathe Freres, holding that the Desbriere patent covers the manufacture of an indestructible record and has therefore not been worked by our operations in Berlin, invalidating the first claim of the Miller-Aylsworth patent, although no reason in doing so seems to have been given. Mr. Graf apparently believes that nothing will be gained by going any further with these cases.

ELD/iww

F. L. D.

Enc-

*Defer. I think we better drop
these patent suits & go on
on Comod side*
Σ

[ENCLOSURE]

TELEPHONES 16 HARLESDEH.

TELEGRAMS & CABLES HANNOVER, LONDON.
CODES USED A.L.A.B.C. COMMERCIAL & LISTED.



THOMAS A. EDISON.
Thomas A. Edison.

NATIONAL PHONOGRAPH CO. LTD.,
EDISON PHONOGRAPHS & RECORDS,
EDISON WORKS,
WILLESDEH JUNCTION.

FACTORIES
ORANGE, N.J., U.S.A.
LONDON.
BERLIN.
PARIS.

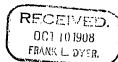
IN REPLYING ADDRESS THE COMPANY NOT THE
INDIVIDUAL AND MENTION THESE DETAILS

Th. G/Sch.

London, N.W.

October 2nd 1908

Frank L. Dyer, Esq. President,
National Phonograph Company,
Orange, N.J.



Dear Mr. Dyer,

To my regret and disappointment I must inform you the highest German court- the Imperial Supreme Court at Leipzig- in a hearing held on Saturday, have revoked the German Desbrière patent 112617, on the ground of its not having been worked in Germany. In the same hearing our patent 128316 (the Miller-Aylesworth Dipping) has been annulled as far as claim I is concerned, and claim II has been upheld.

To reiterate the history of our German patent suits I beg to advise the following:- We have two series of suits, running parallel, all with reference to above patents. The first series are suits for infringement of our patents 112617 and 128316, which we have brought against the Columbia, and others, In these suits the question of validity of the patents cannot be directly raised, as it is not in the sphere of the courts to decide this point. The patent has to be considered the same as a law, and the judge has only to interpret the patent and find whether it is being infringed or not. These infringement

[ENCLOSURE]

N. P. Co., Ltd.

October 2nd 1908

Mr. Dyer:-

-2-

suits are subject to two appeals, in other words, if they are carried through and appealed in every case, they come successively before three courts. In the lower court we lost, the judge disagreed with our interpretation and held that the defendants are not infringing. Against this decision we appealed, and the court of second instance seemed to differ from the lower court and share our interpretation of the patent. We were therefore expecting to come out as victors in that court. Its decision, however, would be subject to another- the last appeal.

Parallel with these suits were running a number of other suits, or rather one suit brought jointly by the Columbia and Pathé for the revocation of our patent 112517 (Desbrière patent) and the annulment of patent 128316. In case 112517 revocation only could be demanded, because the five years within which annulment of a patent can be pleaded had elapsed, and revocation was demanded on the ground of non-working. In case 128316 the annulment suit was brought a few days before the five years mentioned run out. Annulment was asked on the two grounds 1) Want of novelty, 2) Want of invention. This kind of suits are subject to one appeal only. The court of first instance is the Imperial Patent Office at Berlin, the court of appeal the Imperial Supreme Court at Leipzig. The decision of the Patent Office was in our favor, The court maintained ~~that~~ our interpretation of 112517, and considered our mode of manufacture as working the patent 112517 and consequently patent was not revoked. It likewise dismissed the plea for annulment

[ENCLOSURE]

N. P. Co., Ltd.

October 2nd 1908

Mr. Dyer:-

-3-

of 128316, as it considered the invention new and the amount of invention it contained sufficient. Our opponents appealed against this decision, with the result stated at the beginning of my letter. The result was a surprise to us and our opponents. They expected with certainty that we should win, which can be seen from the fact that, with exception of the Columbia, they did not send any legal representative, and the lawyer of the Columbia approached us with this proposition: If we drop our infringement suit against his client and allow them to sell their records without license, he would pack his papers and leave the court before the hearing takes place. Of course, the Columbia was the opponent we were principally aiming at, and as we were too confident, we could not listen to that proposition. We were well represented and our lawyer made out his case very well. The decision therefore was the more surprising to all. The court simply disregarded our arguments and that of our opponents and based its decision on a new argument not at all brought up by our opponents. The court said about this:- The points on which Plaintiff and Defendant disagree i.e., the interpretation of plastic material etc. are irrelevant and need not be entered into. The question is not what has been actually patented under the claim of the patent, but what the inventors wanted to be patented and what consequently should have been patented to them. As the inventors in their specification never speak of their method of manufacturing records being a new method altogether, they cannot have meant to

[ENCLOSURE]

N. P. Co., Ltd.

October 2nd 1908

Mr. Dyer:-

-4-

obtain protection on such a general basis as that given in claim I of patent 112517. On the contrary, they always speak of their object being to make a non-breakable record, and consequently the subject of the patent is the manufacture of such unbreakable records either of a material named in the patent described or a similar material, but it must be an unbreakable record. As the Edison Gesellschaft is not manufacturing such a record, the patent has not been worked and is to be revoked.

In case 128316 claim I was annulled, no reasons were given, the court reserved to give ~~these~~ reasons in their written decision. The claim in question is that which protects the dipping of mould into a liquid material of a temperature near the congealing point of the material, so that by dipping once the temperature of mould and material causes the material within the mould to congeal in sufficient thickness to obtain a record by dipping once. Claim II which has been maintained protects the employment of an air space between mould and molten material.

The question now is what to do with the infringement suits which are before the court of second instance. As far as 128316 is concerned, the suits have to be dropped because ^{claim I} the patent has been annulled. In case 112517, which patent has been revoked and therefore been in force up to September 26th, all infringements of the patent prior to that date can be proceeded against. As before said the court of second instance is inclined to accept our interpretation and we had every hope that it would give a decision in our favor. But as the supreme

[ENCLOSURE]

N. P. Co., Ltd.

October 2nd 1908

Mr. Dyer:-

-5-

court by revoking patent 112517 has given its interpretation of the patent to that effect that the process used by us is not working that patent, then we must infer, that the process of our opponents, which is similar to ours in so far as they do not use gelatine or similar material and do not make an unbreakable record, is not infringing our patent 112517. It is barely possible that after this decision the court of the second instance may still come to an interpretation in our favor, but even if this be the case, our opponents will appeal against such decision, and as the case will then come before the supreme court at Leipzig and before the same judges who revoked 112517, there is no doubt that they will adhere to their previous interpretation of 112517 and decide against us. I shall get the opinion of our lawyers, and in all probability shall drop the suits, but I shall inform you as soon as I have come to a decision.

This turn of affairs has been quite a blow to me, as I have been spending considerable work on it and was convinced that we should be the victors.

Yours very truly,


MANAGING DIRECTOR

TELEPHONES 14 HARLESDEN

Phon. - Manning.
TELEGRAMS & CABLES HAMBURG, LONDON.
CODES USED A.L.A.G.C. COMMERCIAL & USERS.



THOMAS A. EDISON

NATIONAL PHONOGRAPH CO. LTD.,
EDISON PHONOGRAPHS & RECORDS,
EDISON WORKS,
WILLESDEN JUNCTION.

FACTORIES
ORANGE, N.J., U.S.A.
LONDON,
BERLIN,
PARIS.

IN REPLYING ADDRESS THE COMPANY NOT THE
INDIVIDUAL AND MENTION THESE INITIALS

Th. G/Sch.

London, N.W. November 19th 1908

Strictly personal

Frank L. Dyer, Esq. President,
National Phonograph Company,
Orange, N.J.

RECEIVED
NOV 30 1908
FRANK L. DYER

Dear Mr. Dyer,

I have been unable to write you at an earlier date with regard to the Amberol and New Agreement situation, because it had not developed so far that I could let you know any definite results. Mr. Marks I understand sent you copies of the exclusive factor's and dealer's agreements as soon as they were prepared. I herewith enclose another printed copy.

Since the agreement was ready I have been kept very busy in negotiating with our factors and I am very pleased to say that so far as the great majority of our factors are concerned I have found their support, as they all find the present record situation over here untenable. As you will see from the advertisement of the E.B. Company in the "Phono Trader" they are not content with selling a 9d record, but by their new exchange scheme they are practically reducing their record to 7d. With these continuous reductions and changes there is no money in the business either for factor or dealer. All factors, therefore, with the exception of these about which I

N. P. Co., Ltd.

November 19th 1908

Mr.Dyer:

-2-

will tell you further on in this letter, have signed without difficulty. The situation at present is this:

With the exception of R.J.Appleton & Co. of Leeds and Bradford all the provincial factors have signed agreeing to handle our products only. Appleton as you will note is not doing a large business, he is not a very satisfactory customer; we carry him along by a current credit of £300. The reason why he does not like signing is that he is stocked to a considerable extent with Clarion records. I have no doubt that he will sign if I will see him, but due to the situation I have not found time to visit him.

I am enclosing herewith a list of all our factors; those marked with a cross, have signed; those marked with a line would sign, but I have not taken them on in accordance with the arrangements we made at Orange to reduce the number of our factors; they do a very small business and principally retail. This so far as the provinces are concerned. You will note that we are covered in the provinces.

With regard to the London factors those marked with a line represent unsatisfactory factors. The Wholesale Cycle Trade Supply Co.Ltd. is a company who has failed twice; we have lost little over £100 at their last failure and their business is below an ordinary dealer's requirements; they really should be cut off, but I do not intend to be too rigorous just at this moment. Simpson & Co. and Lugton & Co. are factors who have anything but a good reputation in the trade. Although we cannot prove it to them. all factors consider them

N. P. Co., Ltd.

November 19th 1908

Mr. Dyer:

-3-

as price cutters; they do not take the agreement as serious as it should be taken; they are reported to induce dealers to buy from them by giving 13 records to the dozen or four records to every machine they sell. This is asserted by all factors, but it is very difficult to prove, as no dealer benefiting by this breach of agreement would give the factor away. If the exclusive agreement is to be carried out, it would not be advisable to take these two factors on, as I feel they would supply attachments and Amberol records to dealers who have not signed the exclusive agreement.

The 3 London factors, without any mark, have not signed the exclusive agreement; they are:

John G. Murdoch & Co.
New Polyphon Supply Co. Ltd.
Stockall, Marples & Co. Ltd.

Stockall have not definitely decided whether or not they will sign the agreement, so there is a possibility that this factor will come in line in a few days, and only Murdoch and the New Polyphon Co. will be out of it. Murdoch and the New Polyphon Co. have definitely declined to sign the agreement, and I am enclosing herewith letters from both parties which are the outcome of personal interviews and correspondence, and they will explain the situation. To make you fully understand the situation I must add that before writing these letters Murdoch and the New Polyphon Co. have communicated with our principal factors and have induced Mr. Duwe of Manchester and Mr. Tilley of Cardiff to come to London. The invitation came from Mr. Brañt of the

N. P. Co., Ltd.

November 19th 1908

Mr. Dyer:

-4-

Columbia Phonograph Company. A meeting was held between the five, at which Mr. Bratt used all his personal influence with the two provincial factors not to become exclusive Edison factors. He threatened with cutting them off the list of Columbia factors, he also held before them prospects of business with the so called "blue ribbon" record, which is to come, and with their latest product the undestructable record which they expect to place shortly on the market here. I suppose the meeting lasted till very late in the night and I suppose a considerable amount of spirits, I hear champagne was consumed, and it was finally decided between the five not to sign the agreement. Mr. Duwe and Mr. Tilley saw me the next morning at my house and they told me their decision not to sign. They had no serious objection to signing, but only the promise which they gave the night before. After a few hours discussion, in which I treated them very fairly, held before them the necessity of this move because of the deplorable condition of the cylinder market ~~which has been completely ruined by the success of the Edison~~, and as Mr. Duwe had promised me to sign when I saw him in Manchester the day before and a few hours before the meeting was held, I finally brought them over on my side. Mr. Duwe was in "dilemma" between these two promises, but he signed the agreement and so did Mr. Tilley; both told me they are very sorry that they ever had been led into this meeting by Mr. Bratt.

Murdoch and the New Polyphon Co. will stand out. I do not know if these two, or Mr. Murdoch alone has corresponded with you, but I just hear a report that he made an announcement

N. P. Co., Ltd.

November 19th 1908

Mr. Dyer:

-5-

to-day that he will supply our attachments and Amberol records to his dealers, but if they have written you, please let me know contents of their letters and your reply. I shall be very glad to have your opinion and criticism on the whole situation and also your advice as to what you think should be done. You know Murdoch's and the New Polyphon Co.'s business with us is very considerable; in the month of October for instance Murdoch have purchased to the amount of \$5726- and the New Polyphon Supply Co to the amount of 2457- or both in total \$8183- which is above one eighth of our total business for that month. You note from their letters that they say they want to push our goods as heretofore, and if this is the case, their not signing will not mean any loss to us, the more since it is very probable that all the Amberol records and attachments which you can supply us in the near future will hardly be sufficient to cover our requirements even if these two factors do not get any. But you and Mr. Edison may be of different opinion with regard to this matter and I should be very glad to get your advice and criticism, and I will endeavour to act on it even if I do not agree. However, there is one thing to consider,-- I have personally pledged myself to all the other factors not to supply Amberol records and attachments to factors not signing the agreement, and if you should find it absolutely necessary in the interest of the business to drop my policy, I do not see any other way out of it for me but to resign my position. This

N. P. Co., Ltd.

November 19th 1908

Mr. Dyer:

-6-

of course would not mean any change whatever in my attitude, - I would carry out your intentions until you have been able to make entirely satisfactory arrangements for replacing me. I need hardly point out that it is with great regret only that I would take a step like this, but in case of your disapproval and adopting a change of policy, I cannot see any other way out of it, in order to maintain prestige to myself and to the company. If you disapprove and I leave, the entire blame would fall on me, and you could then make any arrangements with the two factors you may choose to make. My relations with both factors have been very friendly, in fact I sounded them before I inaugurated the new policy, and I made a mistake in believing that I would have their support. However, please let me know what you think of it, probably you had the same or greater difficulties in carrying through your scheme in America and may find that the scheme so far is a success. Nearly all factors are with me; those dealer which have seen the attachments since the 15th are quite pleased with them, and we have received by this date several hundred agreements and we are receiving new lots every day. From the South of England which Murdoch and the New Polyphon Co. have circularised we are receiving a few unsatisfactory letters from dealers siding their factors. The circulars which these two factors have sent to the North however, are completely counteracted by our factors there.

If you see the necessity of any change with regard to Murdoch, then please write me fully by letter, but if you are

N. P. Co., Ltd.

November 19th 1908

Mr. Dyer:

-7-

satisfied with the results so far, please cable me, because I feel I need some moral support from you who has just gone through a similar experience over there.

I am sorry to say Mr. Murdoch knows a good deal about the conversation which took place in Mr. Edison's library between Mr. Edison, yourself, Mr. Wilson, Mr. Gilmore, and myself; ^{and is well informed to know} he can only have heard about Mr. Edison's original proposition through one of the parties who have been at that meeting at Mr. Edison's library; he is further influenced by Mr. Bratt of the Columbia Phonograph Co. and the prospects of their new blue ribbon and their indestructible records, and then again he has always made it a point of handling anything and everything that comes along, just as he says in one of his letters which I send you. Then he as well as the New Polyphon Co. are afraid that if they will sign with us, the Gramophone Co. will very shortly come along with a similar agreement, - this especially because of the new combination - Sterling-Rodkinson-Bergmann-Columbia Phonograph Co. about which I wrote you.

In closing my letter I must apologise for having left Mr. Durand without news with regard to the commercial machine. But with the important changes and reductions over here, the work increasing with the advancement of the season, the great work which I had with the Amberol situation and new agreement, have made it a physical impossibility for me to give attention to the organisation of a commercial phonograph business. Then again Mr. Edison wants to see as good results as possible this

N. P. Co., Ltd.

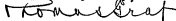
November 19th 1908 .

-8-

Mr. Dyer:

year and I do not think that if I commenced handling the commercial machine just now I can expect to add anythingless but expenses to this year's business. I mean to take up this branch of the business seriously as soon as we have made further progress in the Amberol situation, but I do not expect that I will be able to do anything of importance in the commercial line before the end of this year.

Yours very truly,




MANAGING DIRECTOR

[ENCLOSURE]

Vol. III. LONDON, OCTOBER, 1908. No. 11.

EDISON PUBLISHED FOR
TRADE USE ONLY
BY
PHONOGRAPH THE
MONTHLY NATIONAL
PHONOGRAPH CLUB



TRADE
Thomas Edison
MARK

Edison Works, Willesden Junction, London.

The image is a rectangular trade label for Edison Phonograph Monthly. At the top, it contains the text 'Vol. III. LONDON, OCTOBER, 1908. No. 11.' in a simple font. Below this, the title 'EDISON PHONOGRAPH MONTHLY' is written in large, bold, serif capital letters. To the right of the title, there is a small, rounded rectangular box containing the text 'PUBLISHED FOR TRADE USE ONLY BY THE NATIONAL PHONOGRAPH CLUB'. The central part of the label features a black and white portrait of Thomas Edison, wearing a suit and bow tie, framed by two laurel branches that curve upwards and outwards. Below the portrait, the words 'TRADE MARK' are written in small capital letters, with 'Thomas Edison' written in a stylized, cursive script in the middle. At the bottom of the label, the text 'Edison Works, Willesden Junction, London.' is printed in a small, sans-serif font.

[ENCLOSURE]

ii. EDISON PHONOGRAPH MONTHLY.

Factors of Genuine Edison
Phonographs and Records.

October 1st, 1908.

- LONDON.**
 FAGENBOUT CYCLE WORKS, 24 Gray's Inn Road, W.C.
 AMERICAN TALKING MACHINE CO., 31 Tottenham Street, E.C.
 X BIRNIEY, W. C. Ltd., 47 Brompton Rd., S.W.
 X BIRDY BROS. LTD., 24-26 Great Eastern Street, E.C.
 X BOWELL BROS., 15, Octavia Road, E.C.
 X CHURMAN, C. J., 24, Great Eastern Street, E.C.
 LONDON & PROVINCIAL PHONOGRAPH CO., 259 King's Road, Fulham, S.W.
 — LUDLOW & CO. LTD., 158 Old St., E.C.
 X HUGHES, J. O., & CO. LTD., 97-99 Portland Road, E.C.
 NEW POLYPHON SUPPLY CO., LTD., 3 Devonian Street, Oxford Street, W.
 — PHOENIX EXCHANGE, 41 Bonner Street, Oxford Street, W.
 — RYSON & CO., 1, New Inn Yard, Great Eastern Street, E.C.
 STICKELL, MARPLES & CO. LTD., 6-10 Chesham Street, E.C.
 — WIGMORES CYCLE TRADING SUPPLY CO. LTD., 19-21 Brompton Road, S.W.
- ABERDEEN.**
 X CITY CYCLE CO., THE, 17, Union Row.
- BELFAST.**
 WANGLO-AMERICAN PHONOGRAPH CO., 18-20 Nessway Street.
- GLASGOW.**
 X GORDON, THOMAS EDWIN, Scottish President Buildings.
- BIRMINGHAM.**
 X COLMERS DEPOT, 21 Colmore Row.
 X SIMON BROS., Show Hill.
 X TROOP, H. A., 19 Temple Street.
- BLACKBURN.**
 FORTHE OF ENGLAND TALKING MACHINE CO., St Peter's Street.
 X WATSON, J. & CO., 40, Northgate.
- BRADFORD.**
 AFFLETON, H. J., & CO., 20th Parade Works.
 JEFFON, THOMAS LTD., Park Road.
 X WARREN PHONO CO., 14, Queensgate.
- BRISTOL.**
 BRATE, W. & CO., 22, Temple Street.
 NORTH OF ENGLAND TALKING MACHINE CO., 40 Colmore Street (Clifton View).
- BUFFALO.**
 NORTH OF ENGLAND TALKING MACHINE CO., 40 Colmore Street (Clifton View).
- CARDIFF.**
 ATHLEY IL W., & CO., 9 Wood Street.
- DERBY.**
 MHALTON & SON, 47 Millard Road.
- DUBLIN.**
 MARRIS & CO., 20, Upper Mount Street.
 O'NEILL, J., 17-14 South King Street.
- EDINBURGH.**
 KERRISLEIGH LITHO & V. Print Buildings.
- GLASGOW.**
 X HILLIEN, J., 2-4 George Street.
 MATTLEY & CO., 14-16 Canongate.
 THE NEW POLYPHON SUPPLY CO. LTD., 47, Jamaica Street.
- HULL.**
 NORTHERN PHONOGRAPH CO., 22, Temple Street, Hull.
 LEES, H. J., & CO., 23-27 Upper St. Hill.
- LIVERPOOL.**
 APPELTON, R. J., & CO., 23-27 Upper St. Hill.
 X HILLON & CO., 28 Abbe Street.
 X COFFY, H. F., & CO., 33 Abbe Street.
- LEICESTER.**
 X CLARK BROS., Lower Free Lane, Clifton Street.
 X MASSELES, LTD., 21 High Street.
- LIVERPOOL.**
 CRANE & SON, LTD., 87-89 South Road.
 — RELIANCE GREAT BYRONES, 29-31 Manchester Street.
 X RICHARDSON, JOSEPH, 27, Paradise Street.
 X SIMON BROS., Upper Street.
- MANCHESTER.**
 X BROWN BROS. LTD., 46-52 Deansgate.
 — BURROWS & CO., 11 High Street.
 X BOWEN, CHRISTIAN, 414 High Street.
 X HOWARDS, LTD., 1, Fountain Street.
 X RICHARDSON, JOSEPH, 11, Broadbalk.
 X WAGENHEIM, HARRI, 291, Brompton Road and 26 To St. North Street.
- NEWCASTLE-ON-TYNE.**
 X NEWTON, W. & CO., 139-142 Woodgate Road.
 X FREYER CYCLE CO., 37, Castle Street.
- NOTTINGHAM.**
 MINDLEV, A., 41 Chamber Street.
- SHEFFIELD.**
 JACUVE, CHRISTIAN, 8, Dixon Lane.

24

Phon. - Many

Dec. 3, 1908.

Thomas Graf, Esq., Managing Director,
National Phonograph Co., Ltd.,
Willesden Junction, London.

My dear Mr. Graf:

Your letters of the 19th and 20th insts. have been received in reference to the situation in England regarding the inauguration of the new agreement. I can see that you are worried over the situation concerning Murdoch and the New Polyphon Co., but it does not seem to me that there is any other course to pursue than that which you have taken, and Mr. Edison entirely agrees with me. Of course, it is too bad if these people refuse to sign the new agreement, but they seem to be friendly enough to our other goods and apparently we will not lose them entirely. I think they are simply standing in their own light and are allowing a question of what they are pleased to call "principle" to interfere with their own best interest. Furthermore, if the Amberol record meets with anything like the success in England that it has in this country, I predict that both of these concerns will be only too anxious to come to you in the near future and sign the agreement. Whether they do or not, your position is entirely correct and meets with my cordial endorsement. I have therefore cabled you to-day as follows:

"Replying letter November 19th, cordially approve and endorse your efforts inaugurate new agreement. If Murdoch and Polyphon will not sign, cut them off from Amberol goods. Their size is

2.

12/3/08.

NATIONAL PHONOGRAPH COMPANY

Thomas Graf.

unimportant and good faith to other factors necessitates this course. If Amberol succeeds in England as here they will have to come to you later."

So far as the agreement situation is concerned in this country, we have now signed up every jobber with one small exception, I believe, and about 90% of the dealers, so that we have not had to pass upon any question such as you have been confronted with in this case. Having decided on a definite line of action, you ought to go ahead and stick inflexibly to that course, making no exceptions in any case. When the English trade sees that we are in deadly earnest about this matter they will respect us more, whereas if we should be weak and vacillating we would simply incur their contempt. In this country when we were inaugurating our agreement system we found it necessary to cut off some of our most important customers, but, although it seemed a hard thing to do, the results more than justified our action.

Whatever you may do in England, I shall always feel it was prompted by your best judgment; and, although I might not agree with you, that fact would not alter my friendly interest and desire to keep you encouraged. So far, however, as I can see, you are handling the situation in England in an intelligent and satisfactory manner, and I do not see how there could be any reason on the part of anyone to criticize.

Yours very truly,

FLD/IWW

President.

CABLE ADDRESS: "ZYMOTIC, NEW YORK"
A. L. A. B. C. COMMERCIAL, UNDER SHORTHANDS AND WESTERN UNION CODES USED.

TELEPHONE,
1332 STUYVESANT.

FOREIGN DEPARTMENT
OF THE

**NATIONAL PHONOGRAPH CO.
EDISON MANUFACTURING CO.
BATES MANUFACTURING CO.**

10 FIFTH AVENUE,
NEW YORK, N. Y.

FACTORIES:
ORANGE, N. J. U. S. A.

TRADE
Thomas A. Edison
MARK.

EDISON PHONOGRAPHS
AND RECORDS.
EDISON PROJECTOR KINESCOPIES
AND ORIGINAL FILMS.
EDISON PREREAL BATTERIES
AND PAN MOTOR OUTRITS.
BATES NUMBERING MACHINES.

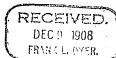
LONDON, PARIS, BERLIN,
BRUSSELS, SYDNEY,
MEXICO CITY,
BUENOS AIRES.

New York, U.S.A.

Dec. 8, 1908.

Mr. Frank L. Dyer,

President, National Phonograph Co.,
Orange, N. J.,



Dear Sir:-

SUBJECT: REPORTS.

I beg to hand you, herewith, copy of report of the Foreign
Department covering orders received for the month of November 1908.

Trust you will find this report of interest, and I shall
arrange to send you each month additional reports.

Yours very truly,

Walter D'Arms
Manager Foreign Department.

VS/JTB.

ENCLOSURE.

Walter

F O R E I G N D E P A R T M E N T

O R D E R S R E C E I V E D F O R T H E M O N T H O F N O V E M B E R , 1 9 0 8 .

R E C O R D S

MOULDED RECORDS:

| | | |
|--------------------------------|---------|---------|
| Australia, | 172,406 | |
| Bahama Islands, | 139 | |
| Bermuda, | ----- | |
| Brazil, | 66 | |
| Buenos Aires, | 104 | |
| Colombia, | 71 | |
| Costa Rica, | 30 | |
| Switzerland, | 11 | |
| Honduras, | 431 | |
| Korea, | 18 | |
| Mexico; Chihuahua, | 465 | |
| " D.F., | 700 | |
| Miscell., Comm. houses, | 1,151 | |
| Newfoundland, St. Johns, | 36 | |
| Nicaragua, | 38 | |
| Panama, | 482 | |
| Philippine Is., Manila, | 1,096 | |
| Porto Rico, | 483 | |
| Santo Domingo, | 97 | |
| San Salvador, | 52 | |
| South Africa, Capetown, | 581 | |
| Hawaii, | 144 | |
| Venezuela, Cartagena, | 51 | |
| West Indies, | 1,131 | |
| Total Moulded Records | | 179,728 |

AMBEROL RECORDS:

| | | |
|-------------------------------|---------|---------|
| Australia, | 165,000 | |
| Bermuda, | 19 | |
| Europe, Switzerland, | 12 | |
| Honduras, | 12 | |
| Mexico City, | 7 | |
| Miscell., Comm. houses, | 20 | |
| Porto Rico, | 66 | |
| West Indies, | 104 | |
| Total Amberol Records | | 165,241 |

GRAND OPERA RECORDS:

| | | |
|-------------------------------|----|-----|
| Bahama Islands, | 2 | |
| Brazil, | 18 | |
| Colombia, | 19 | |
| Miscell., Comm. houses, | 46 | |
| C.A., Nicaragua, | 11 | |
| Panama, | 20 | 106 |

(2)

| | | |
|-------------------------------|---------|---------|
| Records Carried forward | 345,075 | |
| Porto Rico, | 18 | |
| Venezuela, | 22 | |
| West Indies, | 18 | |
| Total G.O. Records | | 164 |
| CONCERT RECORDS: | | |
| Miscell., India, | 19 | |
| Venezuela, | 18 | |
| Australia, | 6 | 43 |
| RECORD BLANKS: | | |
| Australia, | 1,500 | |
| Mexico, Chihuahua, | 50 | |
| Miscell., Commission H., | 6 | |
| " " Venezuela | 12 | |
| Panama, | 6 | |
| Total Record Blanks | | 1,574 |
| Grand Total Records, | | 346,756 |

PHONOGRAPHS

| | | |
|------------------------------|-----|-----|
| GEM: OLD STYLE: | | |
| Australia, | 255 | |
| Panama, | 1 | |
| West Indies, | 3 | |
| Total Old Style Gems, | | 259 |
| GEM: NEW STYLE: | | |
| Honduras | 1 | |
| Miscell., Panama, | 3 | |
| Panama, San Pablo, | 3 | |
| West Indies, | 2 | |
| Total New Style Gems, | | 9 |
| STANDARD: OLD STYLE: | | |
| Australia, | 425 | |
| C.A., Nicaragua, | 1 | |
| Miscell., Comm. House, | 1 | |
| " Venezuela, | 1 | |
| Mayaguez, P.R., | 4 | |
| West Indies, | 1 | |
| Total Old Style Standards, | | 433 |
| STANDARD: NEW STYLE: | | |
| Panama, | 3 | |
| West Indies, | 1 | |
| Total New Style Standards, | | 4 |

(3)

| | | |
|---------------------------------------|-------|-------|
| Phonographs Carried forward | | 685 |
| HOME PHONOGRAPHS: OLD STYLE: | | |
| Australia, | 217 | |
| Porto Rico, | 1 | |
| Venezuela, | 1 | |
| West Indies, | 1 | |
| Total Old Style Phonographs, | | 220 |
| HOME PHONOGRAPHS: NEW STYLE: | | |
| Porto Rico, | 1 | |
| West Indies, | 1 | |
| Total New Style Homes, | | 2 |
| TRIUMPH PHONOGRAPHS: OLD STYLE: | | |
| Australia, | 41 | |
| Columbia, | 2 | |
| Total Old Style Triumphs, | | 43 |
| COMBINATION PHONOGRAPHS: STANDARD: | | |
| Honduras, | 1 | |
| Miscell., Panama, | 1 | |
| St. Kitts, W.I., | 1 | |
| Total Combination Standards | | 3 |
| COMBINATION PHONOGRAPHS: HOME: | | |
| Mayaguez, Porto Rico... | 4 | 4 |
| COMBINATION PHONOGRAPHS: TRIUMPH: | | |
| Europe, Switzerland.... | 1 | |
| Mayaguez, P.R., | 1 | |
| Total Combination Triumphs | | 2 |
| COMBINATION ATTACHMENTS: | | |
| Australia, | 5,000 | |
| Bermuda, | 1 | |
| Miscell., Panama, | 2 | |
| Mayaguez, P.R., | 9 | |
| Jamaica, W.I., | 2 | |
| Total attachments, | 5,014 | 5,014 |
| BUSINESS PHONOGRAPHS: DIRECT CURRENT: | | |
| Miscell., Buenos Aires.. | 6 | 6 |
| BUSINESS PHONOGRAPHS: SPRING MOTOR: | | |
| Miscell. Buenos Aires.. | 2 | |
| " Cuba, | 1 | |
| Total Spring Motor Machines | | 3 |

(4)

Phonographs Carried forward 968

I.C.S. ENG.-SPAN:

| | | |
|----------------------------|---|-----|
| Pará, Brazil, | 1 | |
| San Salvador, | 1 | 2 |
| Grand Total of Phonographs | | 970 |

F I L M S

CLASS "A":

| | | |
|---------------------------|--------|--------|
| Australia, | 16,485 | |
| Buenos Aires, | 2,785 | |
| Miscell., Comm.Houses, .. | 3,435 | |
| Lima, Peru, | 5,485 | 28,160 |

CLASS "B":

| | | |
|-------------------------|-------|--------|
| Mexico, | 5,806 | |
| Miscell. Comm. Houses | 2,050 | |
| Lima, Peru, | 4,580 | 12,356 |
| Total feet Film ordered | | 40,546 |

K I N E T O S C O P E S

UNDERWRITER MODEL:

| | | |
|---------------------------|---|---|
| Miscell., Comm.Houses, .. | 2 | 2 |
|---------------------------|---|---|

UNIVERSAL MODEL:

| | | |
|------------------------|---|---|
| Miscell. Comm. Houses. | 1 | |
| Salaverry, Peru, | 1 | 2 |
| Total Kinetoscopes, .. | | 4 |

N U M B E R I N G M A C H I N E S

| | | |
|---------------------------|----|----|
| Colombo,Ceylon, | 3 | |
| Columbia, | 1 | |
| Havana, Cuba, | 18 | |
| Gargacill, Ecuador, | 1 | |
| Japan, Kobe, | 20 | |
| Miscell., Comm.Houses, .. | 5 | 46 |
| | | 46 |

F A N M O T O R O U T F I T S

| | | |
|--------------------------|----|----|
| Bombay, India, | 6 | |
| Miscell.,Comm.Houses, .. | 10 | 16 |

REQUEST FOR CATALOGUES, RECEIVED DURING NOVEMBER.

| | | | |
|----------------------------------|----|----------------------------|-----|
| | | Carried forward, | 102 |
| Africa, | 8 | Japan, | 1 |
| Australia, | 2 | Greece, | 1 |
| Azores, | 1 | France, | 1 |
| Bahamas, | 1 | Miscellaneous, | 33 |
| Bermada, | 1 | Mexico, | 22 |
| Bolivia, | 1 | Nicaragua, | 1 |
| Brazil, | 7 | Panama, | 15 |
| British West Indies, | 11 | Peru, | 4 |
| California, San Francisco, | 1 | Philippine Islands, | 7 |
| Central America, Salvador, | 10 | Porto Rico, | 10 |
| " " Honduras, | 5 | Portugal, | 3 |
| Chile, | 5 | Dominican Republic, | 4 |
| China, | 3 | Russia, | 2 |
| Colombia, | 16 | Turkey, | 1 |
| Costa Rica, | 3 | Hawaii, | 1 |
| Cuba, | 15 | Uruguay, | 1 |
| Ecuador, | 7 | Venezuela, | 2 |
| England, | 1 | Total Cat. inquiries rec'd | 211 |
| Germany, | 1 | | |
| French Indo-China, | 1 | | |
| India, | 1 | | |
| Canary Islands, | 1 | | |

38

Dec. 9, 1908.

Walter Stevens, Esq.,
Manager Foreign Department,
New York.

Dear Sir:

Yours of the 8th inst. is received, with copy of your very interesting report on the Foreign Department, and I will be very much obliged if you will let me have a similar report each month.

Yours very truly,

F.L.D./I.W.V.

President.

THOMAS A. EDISON
GENERAL MANAGER
EDISON PHONOGRAPH CO.
LITTLE ROCK, ARK.
EDISON PHONOGRAPH CO.
LITTLE ROCK, ARK.

H. B. H. EDISON PHONOGRAPH CO. LITTLE ROCK, ARK.

NOVEMBER 24, 1898

EDISON PHONOGRAPH CO.
LITTLE ROCK, ARK.
EDISON PHONOGRAPH CO.
LITTLE ROCK, ARK.

10 Nov 24 1898

my surprise and disappointment I find an article in the British press, probably a reprint from an American paper, of which I enclose copy. I cannot imagine that this ~~same~~ article was honestly reported, or if so, it was not intended for publication and here. It certainly would all end endeavor to indirectly and possibly effect the change, which was successful so far.

I hope the article will not be repeated in German papers. I am making arrangements here for the price quiet and no other change. A large shipment of German records will go forward by the next steamer, and I expect to close the factory at Berlin by end of January or early in February.

These records remain very much of those of the German Emperor, both in their form, new and not beneficial effect.

Yours very truly,
Thomas Edison

P.S. I have made arrangements before I left Boston, for a Press meeting at the Prince's Restaurant, to which I asked Mr. Marks to attend and represent me. The meeting will be held to-day and about 50 daily papers will attend and report about the new found minute record. If it is inopportune this article must appear to me, you can imagine!

[ENCLOSURE]

LONDONER ABROAD.

Dec. 5, 1908
Poignant Pictures From the
Week. Mr. Edison's Criticism.

Mr. T. A. A. (London)

"I'm not speaking of the English of America. He's all right, none better in the world. I'm talking of the common laborer—man you pick up on the streets. What is it? Too much booze? Or general deterioration? Or what?"

Thus Mr. Thomas A. Edison, to a "Times" special commissioner who has been making inquiries into the cause of the failure of Englishmen in Canada and the States.

"Say, what's the matter with your people over there?" the "Wizard of Menlo Park," had exclaimed when he met the interviewer.

"Here I've had to close down my phonograph factory in England—what's the name of the place! I've forgotten; somewhere near London."

"All the others in Europe pay tax, but we couldn't make that one pay. We get good work out of the French and the Belgians and the Germans and Austrians, but the English—no good. Injures 55 per cent. English 20 per cent." (ratio of productive capacity.)

The Same Story.

Everywhere it was the same story—at Vancouver, Bend, Calgary, San Francisco, Seattle, Chicago.

"I told Mr. Edison," said the journalist, "what my belief was. It was a belief that had been growing in me ever since I began to travel and to observe the successes and failures among Englishmen who emigrate to the British possessions and to foreign countries, particularly the United States.

"For one hears the same thing everywhere—the Englishman who succeeds is hardly ever a Londoner; the Englishman who fails completely is almost always a Londoner."

Seen from a Window.

A month ago the interviewer was in Toronto, and the owner of one of the best-known journals in Canada showed him over the beautiful building which he has had constructed as a home for his newspaper.

It was in the afternoon, just as the paper was going to press, and, taking his visitor to a window, the proprietor drew his attention to a remarkable spectacle.

In the street below was a crowd of between 200 and 300 men, practically every cog of them an obvious Englishman.

"They were all waiting for the paper to 'come out' in order that they might examine the advertisements of 'situation vacant.'"

"You said the newspaper owner, 'it is sad, terrible and; but what can we do? Why do you send such worthless opposition to the? They can do no good here; I believe they are worse off in Canada than they were in England.'"

Must "Ave His Beer."

A traveler told how he had become interested in a young English couple, had given the man ten dollars, and had later called at the address given.

One dollar of the two had been spent on bottled beer, in spite of the fact that there were a starving wife and child.

My husband always "ave his beer," the woman had retorted with pride.

NATIONAL PHONOGRAPH COMPANY

Phon. - Closing Down

Dec. 21, 1908.

Thomas Graf, Esq., Managing Director,
National Phonograph Co., Ltd.,
Willesden, London.

My dear Mr. Graf:

Your letter from Berlin of the 10th inst. has been received. Unfortunately, statements have been made which I have not been able to prevent, to the effect that manufacturing operations are to be discontinued abroad, but these got out before I had time to stop them. I think rather poor judgment was shown in giving out apparently authentic information of this character. It is hardly necessary for me to say that the particular interview from the "London Star" of December 5th, alleged to have been had with Mr. Edison, is at least in form, absolutely unwarranted, and I think you would be justified, if you think best, in making a formal denial, or in having Mr. Marks make a formal denial of the same.

Yours very truly,

FLD/IWW

President.

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216

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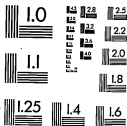
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